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The Trade-Mark Reporter

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The United States Trade-Mark Association

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1912**

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by
The United States Trade-Mark Association

JUL 2 1923

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I. TRADE-MARKS GENERALLY.

1. NATURE OF TRADE-MARK RIGHTS.

§ 1. *Character of Right.*

There is no abstract property right in trade-marks. The use of a trade-mark by one will not prevent another from adopting the same trade-mark for an article of different descriptive properties. 96

§ 2. *Who may have.*

A dealer who has established a good will for a grade of coal under a certain brand may restrain a rival dealer from selling coal under that brand, though derived from the same mine as his own. 300

A so-called trust or combination, dissolved by decree of the federal court does not, by reason of such decree, lose the right to protect its trade-mark property, and can convey a good title thereto, by assignment. 166

§ 3. *License to Use.*

The owner of a trade-mark for bread, made under a secret formula, who licenses bakers in various parts of the country to make bread according to the formula and to sell it under the mark, reserving the right to inspect the product of each licensed bakery and to revoke the license if the product falls short of the standard set, makes a legitimate use of the trade-mark, and does not in any way impair his right in or to the trade-mark. 126

2. WHAT MAY BE A TRADE-MARK.

§ 1. *Color.*

The method of marking a cord by means of checks, formed by the interweaving of a single yarn differing in color from the others used, can not be exclusively appropriated, nor form a valid trade-mark. 161, 192

A red color, applied to a band of metal encompassing the upper part of a broom and forming a structural feature of the broom, is not a good trade-mark. 386

§ 2. *Name of Patented Article.*

The name by which a patented article is known on the market during the life of the patent, becomes public property on the expiration of the patent, even though it be an arbitrary and fanciful name. The later user must distinguish his product from that of the original maker, but can not be enjoined from using the name. 317

The registration as a trade-mark of the name of a patentee, by which name the patented invention had been known during the life of the patent, does not give any exclusive right to the use of the name, after the patent has expired. 276

§ 3. *Descriptive and Generic Terms.*

The so-called secondary meaning that comes by long usage to attach to a descriptive or geographical term, as indicative of the goods of a particular origin is, in fact, in that limited field of trade-mark use, its primary meaning, while the original sense of the word has become secondary. Hence the rule that the later user must, at his peril, distinguish his use of the word from that of his predecessor. 443

There is no fixed time during which a brand, descriptive in character, must be used to become entitled to protection. The question of time is always to be considered in connection with the facts of any given case. 124

The following marks are held to be descriptive :

"B 4 Any" and the picture of an aeroplane.	387
Boy Scout," for leggings, gloves and mittens.	347
"Bras-Brite," for a polishing compound.	380
"Crystal," for sugar.	307
"Electric Lump," applied to bituminous coal.	204
"Evergreen," for canned fruits and vegetables.	137, 339
"Ground Gripper," as a trade-mark for boots and shoes and lasts for manufacturing same.	136
"Household," for peroxide of hydrogen.	387
"Master-Craft," applied to suits and overcoats.	528
"Mello," for chewing gum.	137
"Modulation," for steam-heating and ventilating apparatus.	42
"No Wash-up," applied to a compound intended to be used for the removal of printer's ink.	112
"Orange Lily," for suppositories and other medicinal preparations.	137
"Signature," as a trade-mark for writing-inks.	173
"Trophy," indicating that the goods to which it is applied have been recognized as of superior quality.	305
"Tungsteel," as applied to razors and pocketknives.	441
"Turknit," for towels and wash cloths.	387
"White Oak," when applied to boots and shoes.	137

A mark consisting of the representation of a ball-bearing, inter twined with the letters "F & S," is descriptive as applied to ball-bearings, since its most prominent feature is the figure representing a ball-bearing and it as accurately describes the articles to which it is applied as would the printed words, "Ball-Bearing." 170

The following terms are not descriptive :

"Abricotine," applied to a cordial or liqueur.	282
"Automobile Trade Directory," as applied to a publication.	426

"Bestyette," applied to rain capes.	324
"Brilliant," as a trade-mark for wheat flour.	387
"Caterpillar," for a self track-laying traction engine, which progresses by means of an endless link belt, running around a pair of wheels on each side.	140
"Cement Gun," for an appliance for mixing and applying cement to surfaces.	287
"Duo Fold," for paper.	387
"Fabrikoid," for imitation leather.	139
"Holeproof," applied to hosiery.	16
"Hygeia," as a trade-mark for coffee.	324
"Imperial," for flour.	138
"Mother's," for macaroni, spaghetti and vermicelli.	138
"Stanch," for files.	381
"Tite-oke," for leather boots and shoes.	386
"Wrightworth," for hoisting engines and traction hoisting drums.	137
The representation of a saucepan resting upon a stove, with a hand holding a box, from the end of which sticks of spaghetti are pouring into the pan, is not descriptive as a mark for alimentary pastes.	140
The representation of a girl wearing a rain cape is not descriptive as a trade-mark for raincoats.	324

§ 4. *Mark Common to the Trade.*

The word "Union" is common to all the tobacco trade, and can not be exclusively appropriated. 187

§ 5. *Geographical Terms.*

A geographical term may be a trade-mark, and the right thereto become exclusive, when it has acquired a secondary meaning as indicating the goods of a particular maker. 398

"Golden State" is a name applied to California and is therefore geographical. 433

"Orange Grove" is geographical. 338

"Olympia" for beer has a dominant mythological and historical significance and is not geographical. 388

"Derby" has a non-geographical significance, paramount to its geographical meaning. 388

§ 6. *British Hall Mark.*

The British hall mark of the Birmingham assay office may be properly appropriated by an American manufacturer, as a trade-mark, to distinguish goods of his make. 221

§ 7. *Union Label.*

A union label is not a common law trade-mark, but the legislature may provide for the registration and protection thereof. 72

3. TITLE TO A TRADE-MARK.

§ 1. *Assignment and Devolution.*

The sale by a trustee in bankruptcy, under order of the court, of all the property of the bankrupt, except accounts and bills receivable, carries the trade-mark and good will of the business. 29

A transfer of the assets and business as a going concern, by an individual to a corporation organized by him, carries with it the right to the trade-mark. 379

The testimony of the assignor of a trade-mark, that an assignment absolute in form was intended to convey only a license to use the mark, the title thereto being reserved to the assignor by oral agreement, is insufficient to overcome the plain effect of the instrument. 29

§ 2. *Abandonment.*

Intent to abandon must clearly appear from the facts surrounding non-use; but intent may be inferred from such facts. 420

Mere non-use of a trade-mark does not establish abandonment. Intent to abandon must be shown. 213

4. INFRINGEMENT.

§ 1. *What Constitutes Infringement.*

The seller's ignorance that the mark on goods sold by him is an infringement is immaterial. He must be on his guard in handling goods sold to him. 231

The true test of infringement is whether a prospective purchaser

would be misled by the mark, to suppose that the product was one of a manufacturer with whose trade-mark he was familiar in connection with another article. 40, 48

Equity will not interfere to protect the careless or inattentive purchaser from deception. 187

A trade-mark is infringed by the unauthorized application thereof to goods made by the owner of the mark. 284

A dealer who has established a good will for a grade of coal under a certain brand may restrain a rival dealer from selling coal from the same mine under that brand. 300

A registered mark is not infringed by the application thereof to a sign, displayed by a rival on the outside of his place of business. 265

Nor by the use thereof on letter-heads, bill-heads, and business paper. 324

The owner of a trade-mark, who sells it, together with his manufacturing business and good will, reserving the right to use the mark in his retail business, as before, should be enjoined from the use of the mark, otherwise than in accordance with the contract. 367

§ 2. *Conflicting Marks.*

In determining the question of similarity of trade-marks, three features must be considered: *first*, the appearance of the words; *secondly*, the sound of the words when spoken; *thirdly*, their significance or meaning. 475

The following marks have been held to conflict:

"Amber Bead," with "Amber." 423

"Beerette," with "Beerine." 485

"B. N. & S.," with "M & S." 523

"Extract of Coca and Kola," with "Coca-Cola." 397

"Coro," with "Corolla." 306

"Crisco," with "Crispett." 483

"Durham-Domino," written so that the initial letter of each word includes the remaining letters, with the word "Domino" and the representation of a domino. 348

"E J Co" arranged in a monogram, with the letters "E. J. Co."	172
"E. Co.," the last two letters placed between the extended upper and lower arms of the first, with the letters "E. J. Co."	481
"Gin Gera," with "Ginger-Olo."	485
"Harbor Light" and a lighthouse, with the word "Harbor" and also with the word "Lighthouse" and the representation thereof.	253
"Non-X-Ell," with "Nox-all."	356
"Nobility," with "Noblesse."	475
"French," with "Paris."	494
A horse grazing, with the word "Pony" and the head of a pony.	479
The picture of a standing dog and the words "Pointer Brand," with marks, consisting respectively of the words "Bull Dog" and the representation of a bull dog.	182
A group of owls, with a single owl and "Ko Ko Ko."	92
"Purock," with "Pureoxia."	346
"Queen" or "Queen Quality," with "Kitchen Queen."	429
The words "Red Man," with the picture of an Indian.	424
The word "Rex," with "Rex-O-Tone."	440
"Southern Belle," with "La Belle."	483
"Sulphurro," with "Sulphozone," "Sulfonal," "Sulfosol" and Sulphorine."	485
"Tika," with "Swastika."	438
"Tip-top," with the representation of a top.	126
"Velvetina," with "Velvet."	478

Two trade-marks, each of which includes the picture of a peacock with outspread tail, are so similar that their contemporaneous use would be likely to cause confusion in the minds of the public. 103

A mark including the representation of a vineyard, a herd of camels and two men bearing a grape is deceptively similar to one consisting of the picture of two men bearing a bunch of grapes, in the same manner as in the other mark. 33

Between the following marks there has been held to be no conflict:

"O. B. Joyful," accompanying the picture of a man of joyful or hilarious expression, and the letters "O. B." 64

"Bestyette" and "Veribest." 324

"King" and "Shen-king." 483

The picture of a bear standing upright, holding a gun, illustrating the words "Teddy Bear Brand," and the picture of a bear, having one foot resting on a fish, and the words "Pioneer Fishery." 88

"Flex Arch" for shoes and the term "Flexible Arch." 304

"Holeproof" and "Knotair." 16

"Candy Kid" and "Kid." 182

"Union Leader" and "Union World." 187

"Velvooze" and "Velourita," "Velourette," "Velreine," "Velutina," "Velvel." 181

A trade-mark for pen and pencil holders, consisting of a circumferential band of a red color contrasting with a yellow or gilt color on each side thereof, and prior marks showing different contrasting colors similarly arranged. 217

The portrait of Pastor Koenig beneath which is the word "Vinces" and upon which is superimposed a transparent intersecting anchor and cross with radiating lines, and a mark showing the representation of an anchor and cable. 180

A label showing an arbitrary and distinctive design against a background of dig-zag stripes, alternately red and white, and a label one-half white and one-half red. 180

Two rectangular figures, the one with a lion on each side, and the other accompanying the words "Strong Hair." 483

"S. & W." in white against a black diamond-shaped background and the word "Ladyware" enclosed in a diamond-shaped outline. 181

The picture of a mammoth's head with the word "Mammoth," and the representation of two elephants in the attitude of a mother washing her child, used in connection with the words "Rub-No-More-Soap." 36

"Little Red Hen," and the picture of a hen, displayed against the background of a red seal. 181

§ 3. *Goods of Same Descriptive Properties.*

Goods are of the same descriptive properties when their general and

essential characteristics are the same and in the ordinary course of business they would be both produced by one house. The test is whether there is such a sameness in the distinguishing characteristics of the goods as to be likely to mislead the general public.

Crackers, biscuits, bread, and breakfast cereals are not of the same descriptive properties with salted, smoked, pickled and canned fish;	90, 96
nor sweetened chocolate and candy, with coffee;	529
nor peroxide of hydrogen, with distilled water;	433
nor rubber tires, with automobiles;	486
butter is of the same descriptive properties with oleomargarine;	134, 479
canned fruits and vegetables, with pickles;	257
canned fish, with canned salmon;	253
concentrated syrup for flavoring beverages, with ginger-ale, sarsaparilla, lemon-soda, club-soda;	440
a beverage composed of malt, containing less than one-half of one per cent of alcohol, with beer;	423
soap and shampoo preparations, with laundry soap;	478
silk fabrics, with shirtings, cambrics, drills, cotton velvets, knitted cotton piece goods;	384
silk and cotton and silk mixed piece goods, with cotton sheeting, shirting, cotton piece goods and blankets;	92
hooks and eyes, with hairpins;	484
sawing machines in which saw blades are used, with saws;	257
"Wood Wool" used for medicinal purposes, with "paper wool" used for bandages;	40

§ 4. *Ten-Year Marks.*

The protection accorded to a descriptive or other mark registered under the ten-year clause of the act, is not confined to the particular form in which the mark is used by the registrant. Such a mark, registered and used in a hyphenated form, in script, is infringed by the use of the word in plain block type and without the hyphen. 318

A mark registered under this clause, and consisting merely of a family name, is not infringed by the use thereof by another of the same

name, though the manner and position of such use be similar to the use thereof by the registrant. 45

5. SUITS FOR INFRINGEMENT.

§ 1. *Jurisdiction.*

In a suit for infringement of a registered trade-mark and for unfair competition, where the parties are both citizens of the same state and neither the bill nor the decree confines the relief sought or granted to interstate or foreign commerce, the court is without jurisdiction. 20

§ 2. *Evidence.*

Proof of purchases by the complainant's attorney and by a clerk in his employ are sufficient to establish infringement where it is shown that other goods than those sold, bearing the infringing mark, were displayed for sale in the defendant's store. 230, 232

§ 3. *Defences.*

The decree of an Italian court in a previous action between the parties involving the same issues can not be treated as an estoppel, so long as it is merely interlocutory. 115

§ 4. *Relief.*

a. *Injunction.*

A preliminary injunction should be denied when the plaintiff has slept on his rights for three years, with knowledge of the facts. 367

When the defendant is so related to the defendant in a prior suit that all questions of confusion between the goods of the parties might have been settled therein, had this defendant so desired, a preliminary injunction will be granted. 494

An injunction will be granted to restrain threatened damage where goods bearing the infringing marks are kept in stock and offered for sale, though the only sales proven are to witnesses sent by the complainant, who were not deceived. 232

b. *Damages.*

A finding of nominal damages in a case of trade-mark infringement will sustain a verdict for punitive damages, when the element of fraudulent intent is present. 78

6. RECOVERY OF FOREIGN MARK.

Defendant, who had fraudulently registered in Mexico the trade-

mark of the plaintiff, required to assign the registration to the plaintiff or to execute a consent to its cancellation. 522

II. REGISTRATION OF TRADE-MARKS.

1. EFFECT.

The rights of the owner of a common law trade-mark are not lessened or impaired by the fact that he has registered a mark embodying a part only of the features included in the trade-mark as used and claimed. 221

The rights secured by the registration of a proper name as a trade-mark under the ten-year clause of the act, do not impair the right of another to use his own name in his business. 45

It seems that the term "Coca-Cola" is not descriptive; but whether descriptive or not, a valid registration under the ten-year clause of the trade-mark act being shown, the term is entitled to protection, like any other valid trade-mark. 318

2. THE APPLICATION.

§ 1. *Who may Register.*

A corporation of the State of California, made up of nine associations of fruit growers, for which it acts merely as selling agents, not owning the fruit sold and not controlling its character, is not the owner of the trade-mark applied to the fruit, and can not register the mark. 386

A copartnership, citizens and residents of Italy, having established a cigar factory in the United States can not secure a valid registration of a trade-mark for the products of that factory. The manufacture of tobacco being a government monopoly in Italy, the firm could not secure a valid registration of their trade-mark in that country, nor would Italy afford that reciprocal protection to the tobacco trade-mark of an American citizen, which is necessary to entitle her citizens to protection here. 463

A foreign applicant is not obliged to apply here within four months of his application at home. He merely secures rights of priority if he does so. 376

§ 2. *Description of Goods.*

Where the labels define the goods as "a blend of rock-candy and maple syrup," the description "table syrup" in the application is sufficiently definite. 93

The term "canned fowl" is sufficiently definite, as a description of the applicant's goods. Not so, however, of the term "canned meat" which would include both cured and fresh meats. 482

§ 3. *Use Required.*

When an applicant has used the mark only upon samples, too small for practical use, no trade-mark right can be based on such use. 472

A foreign applicant need not show use of the mark in this country, in order to be entitled to registration; but he should be compelled to show *prima facie* use here, before he is granted an interference with others, whose registrations were obtained before he filed his application in this country. 389

Use of a trade-mark on goods made for the applicants in the United States and consigned to them in Liverpool, England, is sufficient to give title to the mark in the United States. 389

§ 4. *Date of Use.*

The date of first use is to be determined by the applicant, but the date should be that of first use of the exact mark sought to be registered. 389

Testimony of witnesses from memory, as to events in 1893 or 1894, the absence of documentary evidence not being sufficiently explained, is insufficient to prove the date of use claimed. 390

The positive testimony of witnesses, unimpeached or uncontradicted, as to facts that would naturally be within their knowledge and tending to establish the date of use of a mark, can not be ignored; even though the witnesses are connected with an interested party, and though their testimony is not corroborated by documentary evidence. 390

Sufficiency of evidence to establish date of use of a mark discussed. 390

3. REGISTRABLE MARKS.

§ 1. *Principles.*

In determining whether a trade-mark is registrable, it must be considered in its entirety. 171

§ 2. *Res Adjudicata.*

A trade-mark consisting of the letters "WB" inclosed in a rectangle and pierced by an arrow, was rejected because of the prior registration of the letters "W & B" inclosed in a diamond. The application was to

re-register a mark, the first registration of which was prior to that of the mark now alleged to conflict. In view of this, and the fact that both parties now contend that there is no conflict, the registration should be allowed. 484

§ 3. *Descriptive and Generic Terms.*
(See 1, 2, § 1, *ante.*)

§ 4. *Marks Common to the Trade.* ..
(See 1, 2, § 4, *ante.*)

§ 5. *Geographical Terms.*
(See 1, 2, § 5, *ante.*)

§ 6. *Conflicting Marks.*
(See 1, 4, § 2, *ante.*)

When there is a reasonable doubt, whether there is deceptive similarity between the mark of an applicant and that of a prior registrant and the consent of the latter to the registration is filed, the doubt should be waived in favor of the applicant. 382

§ 7. *Proper Names.*

The amendatory act of February 20, 1911, does not extend the statutory protection enjoyed by the names of individuals and firms after registration. To be registrable, the latter must still be shown in a distinctive form. The amendment merely removes the prohibition against the registration of arbitrary words, forming part of firm names. 312

§ 8. *Ten-Year Marks.*

When neither of two applicants for registration of a geographical term can show exclusive use during the whole of the ten-year period, neither is entitled to registration. 311

When the applicant had not exclusive use of the mark during the ten-year period, the registration should be refused. 418

The use must have been exclusive for ten years next preceding February 20, 1905. 43, 311

If a mark be actually a technical trade-mark, the question of exclusive use by the applicant during the ten-year period becomes immaterial, provided the applicant was the first to adopt and use it. 311

§ 9. *Deceptive Marks.*

The advertising of corsets as handmade when the proof shows that

machinery was used in their manufacture, although a great part of the work was done by hand, is not enough to justify the refusal of registration to the mark employed upon such goods. 180

When goods are advertised as non-intoxicating, containing one-half of one per cent alcohol, when in fact they contain about three per cent, the use of the mark is so fraudulent that registration should be refused. 485

The words "Crown Watch Co." as a trade-mark for watches and parts thereof were properly refused registration as misleading and deceptive, indicating to the ordinary purchaser, that the Crown Watch Company is the producer of the goods, whereas the applicant is in fact the maker. 179

A label bearing the name of the original manufacturer, the predecessor of the applicant, under which name the factory is still known, is not deceptive, merely because it does not show the name of the present owner. 482

· § 10. *Foreign Flag.*

A label containing the representation of two Italian flags is not properly the subject of registration. 463

§ 11. *Red Cross.*

The claim that the commercial use of the red cross symbol by the registrant is against public policy is answered by the act of Congress, which definitely declared to be lawful the use of such marks, the use whereof antedated the year 1905. 376

4. INTERFERENCE.

§ 1. *Declaration.*

The declaration of an interference is within the discretion of the examiner. His refusal to declare an interference will not be reviewed on appeal, except where such discretion has been abused. 437

§ 2. *Burden of Proof.*

In an interference between a registered trade-mark and a pending application, where the applicant files affidavits containing *prima facie* evidence of the abandonment of the registered trade-mark, the registrant should be required to overcome this *prima facie* case, in default of which, the burden of proof in the taking of testimony should be shifted to the registrant. 309

§ 3. *Suppression of Testimony.*

When to determine the propriety of testimony introduced in

rebuttal, it would be necessary to consider the testimony in chief, the question will be left until final hearing. A preliminary motion to strike out the testimony will be denied. 312

§ 4. *Dissolution.*

Where there is doubt as to the similarity of trade-marks involved in an interference, and all parties unite in a motion to dissolve the interference, on the ground of their dissimilarity, the doubt should be resolved in favor of the parties. 319

A motion to dissolve on the ground that the date of adoption and use alleged by one of the parties, was subsequent to that of the registration of another, was properly refused transmission, in view of the fact that an interference between these had been finally decided in favor of the former. 341

When a motion to dissolve is based upon the alleged descriptive character of the word forming a common feature of the two marks, and its descriptiveness is in doubt, the motion should be denied. 310

Upon a motion to dissolve an interference, in which it was claimed that the drawing filed with the application of one party shows only a fragment of its mark, the party was given fifteen days in which to file an affidavit, to the effect that the whole of the mark claimed was shown in the drawing. 310

§ 5. *Abandonment of Application.*

On an interference between an application and a previously registered mark, the applicant may be permitted, with the consent of all parties, to withdraw and abandon his application. The office will not insist on the rendering of a judgment, if the parties do not. 486

§ 6. *Abandonment of Registered Mark.*

Abandonment of the registered mark being proven by the formal admission of the registrant, judgment should be entered for the applicant. 486

§ 7. *Review of Decision.*

There is no review, either by appeal or petition, of the decision of the examiner of interferences, refusing to enter judgment on the record in a trade-mark interference. Such review must wait an appeal from the final decision. 310

5. OPPOSITION.

§ 1. *Who may Oppose.*

A dealer who imports goods under a foreign trade-mark may oppose

the registration of the mark by another, since if the registration were granted, the registrant could prevent the importation of the goods. 258

One who has used neither the mark applied for nor another mark, so similar thereto as to be likely to cause confusion, has no standing to oppose. 426

The use by the opponent must have been on goods of the same descriptive properties as those sought to be covered in the registration. 96

Descriptive use of a descriptive term, or geographical use of a geographical term, sought to be registered under the ten-year clause, is enough to justify opposition. 340, 388

§ 2. *Notice by Attorney.*

A notice of opposition signed by an attorney authorized to practice before the patent office and subsequently and within a reasonable time, verified by an officer of the opponent company and accompanied by a power of attorney simultaneously executed, is sufficient. 258

§ 3. *Dismissal.*

The dismissal of an opposition because the notice is not filed within the thirty-day period, is no adjudication on the right to cancel the mark after registration. 486

§ 4. *Demurrer to Notice.*

The practice of filing a general demurrer to a notice of opposition and then substituting a specific demurrer before the hearing, can not be too strongly condemned. The grounds of demurrer should be specifically set forth in the original demurrer. 487

A demurrer may be interposed as a matter of right to an amended notice of opposition before an answer or plea is interposed. 259

§ 5. *Failure to Answer.*

The failure to answer a notice of opposition after a demurrer is overruled, does not cut off the applicant's right to appeal, but confines the appeal to the question whether the facts alleged and proven support the judgment. 487

§ 6. *Cross Bill by Answer.*

Where opposition is filed by a prior registrant, a cross bill asking for the cancellation of the opposer's registration will not be entertained. 254

§ 7. *Suppression of Testimony.*

(See II. 4, § 3. *ante.*)

When a witness refuses to answer questions, and no application is made to the court for an order compelling him to answer, the question of suppressing his entire testimony will be reserved till final hearing. No appeal lies from the decision of the examiner denying a motion to suppress testimony or postponing a consideration of such a motion to final hearing. 431

§ 8. *Evidence.*

A registrant who has taken no testimony, relying upon his registration as evidence of use, is restricted to the date of registration as the earliest date he can claim. 390

§ 9. *Withdrawal.*

A notice of opposition can not be dismissed on motion of the opponent against the objection of the applicant, but must proceed to judgment. 259

A formal withdrawal of a notice of opposition, accompanied by a formal abandonment of the application, may be allowed and the proceeding thereby terminated. 259

§ 10. *Amendment of Application.*

After decision of an opposition adversely to the applicant, his application may be amended by omitting the feature opposed, if the amended mark is actually used by the applicant as a trade-mark. 133

6. CANCELLATION.

§ 1. *Who may Apply.*

Where the applicant for cancellation is not using the registered mark nor one so nearly resembling it that their simultaneous use would cause confusion, the petition for cancellation must be dismissed. 177

§ 2. *What Mark.*

A petition to cancel a trade-mark registered under the law of 1870 is properly dismissed. The registration, if valid, would have expired long since. 211

§ 3. *Grounds.*

The commissioner may cancel a registration granted to a non-existent corporation. 525

The petitioner for cancellation may not urge as fraudulent and improper on the part of the registrant the same use of the mark on which he bases his claim to cancel. 376

An application to cancel, on the ground that the registrant permits the use of the mark by others in fraud upon the public, is not sustained by proof that the mark is used by a subsidiary distributing company of the registrant. 259

§ 4. *Appeal.*

No appeal lies from the decision of the examiner of interferences overruling exceptions to answer in a proceeding for cancellation. 310

§ 5. *Reinstatement.*

Where, upon the petition of a registrant, a trade-mark registration was cancelled because granted to a non-existent corporation, the registration will not be reinstated. 525

7. NOTICE OF REGISTRATION.

The failure to apply to his label the notice of registration provided by the statute does not defeat the complainant's cause of action for infringement, if he prove actual notice of registration to the infringer. 48

8. RENEWAL OF REGISTRATION.

An applicant for re-registration is not entitled to renewal as a matter of course, but all reasonable doubts should be resolved in his favor. 487

9. DUPLICATION OF REGISTRATION.

The words "Crystal Domino" for sugar, are properly refused registration, in view of the prior registration by the same applicant of the word "Domino" for the same goods. 306

The commissioner has authority to grant a second registration of a trade-mark to the same party, where good reasons are shown to justify such action. 174

III. UNFAIR COMPETITION.

1. NATURE AND BASIS OF WRONG.

The entire substantive law of trade-marks is a branch of the broader law of unfair competition. The ultimate offense always is that the defendant has passed off his goods as and for those of the complainant. 443

When an article is so marked as to distinguish it from the product of the competitor, there is no unfair competition. 62

Where the resemblance is not shown to have deceived anyone, nor to have been prompted by an intent to defraud, there is no cause of action for unfair competition. 61

The intent in the adoption of a trade-name, to profit by the good will of another's business does not alter the character of the act, nor make a wrong of what would not otherwise be open to censure. 115

Unfair competition is not shown where two brands are not offered on the same market, do not in fact compete, and defendant adopted the plaintiff's name in ignorance of its prior use by plaintiff. 398

It is immaterial, in any case of unfair competition, that the dealer is not deceived, when the goods are so dressed that the ultimate purchaser is or may be deceived. 168

2. WHAT COMPETITION IS UNFAIR.

§ 1. *Imitating Appearance of Article.*

The identical reproduction, of the appearance and get-up of an article, going beyond what is necessary to produce an article fitted to perform the same functions, is unfair competition. 59

The imitation of structural peculiarities of an article, not necessary to its commercial success and to an extent likely to cause confusion, constitutes unfair competition. 313, 489

Similarity in the appearance of defendant's goods to those of the complainant, with respect to elements that are common to articles of that character, does not amount to unfair competition. 105

§ 2. *Imitating Structural Elements.*

The use of the most efficient and economical form into which the mechanical elements of an article can be combined does not amount to unfair competition, where the names and trade-marks of the several makers are plainly shown. 109

The mere copying of an unpatented mechanical device without the imitation of what is adopted for purposes of decoration or of identification, is not unfair competition. 291

§ 3. *Imitation of Package.*

The seller of a new product must present it to the public in a dress that shall distinguish it from other like articles of a different origin. The use of a yellow package, in imitation of the complainant's, combined with other features of similarity, held to be an actionable wrong. 16

There was no evidence to warrant an injunction, proof of actual deception being wanting, and the resemblances between the plaintiff's and defendant's packages being common to the trade. 153

The use during five years of a distinctive box or package for tooth-picks, entitles the user to protection in the enjoyment of the good will that has become attached to its style of package. 168

It is not necessary that a label be exactly copied, to justify a court of equity in protecting it by injunction. It is enough that the ordinary purchaser is likely to be deceived. 286

Practical identity in the form of the defendant's bottle with that used by the complainant does not of itself constitute unfair competition. 394

There is no unfair competition in the use of a bottle similar in shape to that in use by another, where there is no similarity of labels or markings. 251

Upon the facts disclosed, held that the defendant's package is a simulation of the plaintiff's, in colors, style and arrangement of lettering, likely to deceive the consumer. 279

The imitation of complainant's wrappers and advertising cards, held to entitle complainant to an injunction. 408

§ 4. *Color.*

The use of strands of different colors in a braided cord, forming checks or spots upon the surface, can not be exclusively appropriated by any manufacturer. 412

Preliminary injunction vacated, which enjoined the defendant from operating taxicabs imitating in color those of the complainant. 519

The manufacturer of a beverage to which a brown color is imparted by the use of caramel can not enjoin the manufacturer of another beverage from coloring his article in the same color and shade as the complainant's, whether by the use of the same or of any other coloring medium. 234

Injunction granted to restrain the imitation of the color scheme employed on the plaintiff's boxes. 523

§ 5. *Trade and Corporate Names.*

a. *In General.*

Two trade names, each made up from the same surname, must be so distinguished as to minimize so far as practicable, the confusion arising from their similarity. 349

No person can acquire an exclusive right to the use of his own surname, as against others of the same name. Equity will, however, oblige the later user to avoid confusion by employing his name with some addition or explanation sufficient to indicate that his business is not that of the first comer. 141

When all that equity requires has been done to distinguish the goods of two manufacturers of the same name, a dealer in the two articles need not affirmatively warn a customer ordering goods by means of the surname, that there are two makers of that name, and inquire whose product is desired. 141

When a proper name has, by the efforts of one person through a long period of years, become associated with the products of a business, and has acquired a high reputation in connection with those products, any other of that name seeking to enter the field must so use the name as to avoid deception of the public. 23

Plaintiff having given reputation to the name "Pierce" in connection with the sale of proprietary remedies, the defendant should be enjoined from the use thereof except in connection with his full first name "Robert," followed by his middle name in full, or the initial thereof. 23

The name "Webster" having acquired a secondary meaning as indicating the dictionaries published by complainant, the use of that name by another, must be accompanied with such explanation as will inform the purchaser that the dictionaries sold by him are not the publications of the complainant. 1

One who founds a business to which he gives his name and subsequently sells it to a corporation, in starting a new business is bound to take positive precautions to prevent the public from being misled into the belief that the later business is that with which his name was first connected. 197

The use by defendant of a trade-name colorably similar to that of the plaintiff held to be wrongful and subject to injunction. 291, 373

A corporation, the J. B. Williams Soap Co., engaged since 1845 in the manufacture and sale of "Williams Soap," may enjoin the use of the corporate name "Williams Soap Co." by another corporation, or the use of the name "Williams," unless accompanied by means of distinguishing its name and product from those of the former company. 183

The use of the corporate name "Imperial Tire Co." in the sale of

automobile tires is unfair competition against the complainant, the owner of the mark "Imperial" for the same goods. 461

The plaintiff held not entitled to restrain the use of the trade-name "New York Frame & Picture Co.," or "N. Y. Frame & Picture Co." 123

The name "Page of London" on a shop does not appear to unfairly imitate the name "London Shop" on a rival establishment. 357

The title "The Automobile Trade Directory" as applied to a publication is not so similar to the title "The Cycle and Automobile Trade Journal" for a publication of the same class as to be likely to cause confusion in the mind of the public. 426

Where a licensee under a patent had at his own expense and by his own effort established a demand for the patented article under the name of the patentee, the latter can not be thereafter permitted to make and sell another like article of his invention under his name; but he may use his name in his business separately or as part of a corporate or firm name, and may advertise the invention as his own and as a new and improved device of his manufacture. 241

The name "Waldorf Lingerie Shop" does not appear to be interfered with by the name "Waldorf Lace Store" for a shop located in the same block. 366

The use of the trade-name "F. Garcia & Bro.," or any like combination of the name "Garcia" with the suffix "Bro.," is unfair competition against an earlier firm of "F. Garcia & Bros." 402

The name "Bordens" having become identified with the manufacture and sale of milk products through nearly fifty years of use by Bordens Condensed Milk Company and its predecessors, that company may enjoin the use of the name in the manufacture and sale of ice cream, without the use of some plain and unmistakable means of designating the product as not of the former's make. 194

Vassar College, an incorporated educational institution, can not enjoin the use of its name and a simulation of its corporate seal in the advertising and sale of merchandise. 496

A dealer can not be restrained from using in his trade catalogues a cut showing the product of another bearing the latter's trade-name so long as he keeps that product for sale. He may be enjoined from substituting another article, when that advertised is ordered. 314

A bill of complaint alleging the complainant's incorporation and business, the subsequent incorporation of the defendant for the same business purpose, and resulting confusion arising from the similarity of the names, states a good cause of action. 330

b. Fraternal Organizations.

The right to injunctive relief against the unfair and misleading use of a corporate name exists in favor of a benevolent or fraternal association not conducting any trade or industrial or financial business. 360

No injunction will lie in such a case to prevent the new organization from calling its officers by the same name as the old, nor to restrain its use of the latter's colors. 360

A fraternal beneficiary society may obtain an injunction to enjoin the organization of a similar society, for the like purposes, under a name so resembling that of the original society as to be likely to deceive. It need not wait until the new society is organized and then enjoin it from doing business. 512

A corporation organized for benevolent purposes, can not enjoin from the use of its name another like corporation of practically the same name, formed with its consent, under the laws of another state, and which has voted to sever its connection with the parent body. 328

c. Effect of Contract.

The sale of a business and good will, with the trade-marks, but not specifically conveying a personal name used in connection therewith, does not estop the sellers from resuming the use of the name, in another business, provided it be not unfairly used. 408

The sale of a business with the trade-name used in connection therewith carries the right to continue the use of such name, but in the absence of restrictive covenants to the contrary, does not prevent the seller from engaging in a like business under his own name. 115

Sale of a business and good will, coupled with a covenant on the part of the seller not to use his name in the same business during a period of five years, implies a right reserved to do so at the expiration of that time, provided he suitably distinguishes his business from the earlier one. 524

§ 6 *Other Instances.*

Drinking glasses furnished by the complainant, and prominently

marked with the name of complainant's beverage, can not be fairly used to dispense another competing beverage. 396

The recharging and exchange by defendant of acetylene gas tanks sold by the plaintiff with its trade-mark thereon, is not unfair competition. 11

Whether the sale as "Hires' Root Beer" of a beverage made from a concentrated extract prepared and sold by the Hires Company constitutes unfair competition, *quaere*.

The rule making the name of a patented article or the title of a copyrighted work public property after the expiration of the statutory term of monopoly is an application of the rule regarding descriptive terms. That which was an apt term of description during the continuance of the monopoly, necessarily becomes open to the public on its expiration. If, however, the name has become indicative to the public of the goods of the original user, a subsequent user must so differentiate his goods from those of the other as to prevent confusion. 443

The use of the registered trade-mark of another on a sign displayed outside one's place of business may be unfair competition against the owner of the mark. 265

The publication of advertising matter so equivocal in expression and so misleading in language as to cause the business of the user to be confused with an earlier business of the same character is unfair competition and will be enjoined. 291

The name "Espo-Cola" is not in itself an infringement upon the trade-mark "Coca-Cola," but the use of a style of script in imitation of that employed by the complainant will be enjoined. 234

The use of the term, "Trenton Style Pork Roll," with labels in imitation of those used on plaintiff's "Trenton Pork Roll," is unfair competition and should be enjoined. 124

3. SUITS FOR UNFAIR COMPETITION.

§ 1. *Jurisdiction.*

(See I, 5, § 1, *ante*.)

A federal court has no jurisdiction of an action for unfair competition between citizens of the same state. 20, 45, 265

§ 2. *Parties.*

In an action to enjoin the use of a corporate name and seal in the

sale of merchandise, the officers of a corporation defendant are improperly joined, where no acts are charged against them except such as were done in their official capacities as corporate officers. 496

Officers of a corporation who control it and dictate its policy are properly defendants in a suit to restrain the corporation from acts of unfair competition in the use of its corporate and trade-name. 183

§ 3. *Joinder of Actions.*

A cause of action for unfair competition is properly joined in equity with one for trade-mark infringement. 47

§ 4. *Evidence.*

Purchases made by complainant's employees, sent for the purpose, are sufficient to warrant an inference of fraudulent sales, and consequent deception of purchasers. 16

§ 5. *Defences.*

The defense that the plaintiff does not come into equity with clean hands is unavailing unless the illegality or fraud is related to the subject of the action. In a suit to restrain unfair competition with respect to certain proprietary remedies, it is no defense that the plaintiff, a corporation, is conducting a hospital and practicing medicine in violation of the law. 23

The false use of a notice of copyright upon the label of complainant is no defense to a suit for trade-mark infringement and unfair competition. It is a misrepresentation in no way touching the goods and can mislead no one to his injury. 48

The misleading use of a trade-name so as to deceive the purchasing public with respect to the origin or manufacture of the goods will deprive the owner of the right to relief in equity against unfair competition. 273

A label for American cigars printed almost entirely in Italian, designating the cigars as Italian cigars, and failing to show with any clearness where the cigars are made, is calculated to deceive the purchasers into the belief that the cigars were made in Italy and is not therefore entitled to protection in a court of equity. 463

The name "Poudre de Riz de Java" applied to face powder containing but eight per cent of rice powder is such a false and misleading designation of the goods as will prevent the complainant from protecting himself against the unfair use of a similar name. 156

§ 6. *Relief.*a. *Injunction.*

It is not necessary that the bill of complaint specifically pray for a temporary injunction, where it asks for a final injunction. A motion for temporary relief will lie, in the absence of such a prayer. 279

A preliminary injunction will not be granted to restrain the use of numerals to indicate size, style and shape, where the articles are so marked as to be easily distinguishable one from the other. 456

The appropriation of cuts and expressions from complainant's advertisements in news and trade papers directed to obtaining agents for the sale of its goods, when properly accompanied with the name of the advertiser, is not unfair competition. 105

Injunction denied, where defendant voluntarily ceased the offending practices, when informed of complainant's objection and the evidence negatives any fraudulent intent. 391

Where, before amendment of the bill of complaint, the defendant had already made the changes in the dressing of its goods, sought by the complainant, the latter was required as a condition of exacting further changes thereafter, to which he was entitled, to contribute to the defendant's expense in making them. 165

Construction of an order enjoining unfair competition in the use of the name "Chickering" for pianos. 402

The courts of one circuit have no power to enforce the decree of another circuit, entered in a suit to enjoin unfair competition. An independent suit must be instituted in each circuit, to enjoin wrongful acts committed there. 1

It is no ground for injunction that the defendant may be violating the law in using a trade-name, without having filed the certificate required by law, showing the real parties in interest. 366

The grant of a temporary injunction in unfair competition is in some degree a matter of discretion, and it should be refused where there is another suit pending on appeal on the same facts for trade-mark infringement, in which the court of first instance dismissed the bill. 412

The right to enjoin unfair competition does not depend on the volume of business done by the defendant. 402

b. Accounting of Profits.

Courts will refrain from ordering an accounting of profits in a suit for unfair competition, where an injunction will satisfy the substantial equities of the case. 261

An accounting of profits should be ordered in a suit for unfair competition unless it clearly appear, that neither upon the existing record nor upon any record that the complainant can make before the master, could there be any substantial recovery. 443

On an accounting of the profits derived from unfair competition, where the wrong consists in the use of a trade-mark in fraud of complainant's rights, he should recover all profits realized by the defendant from the sale of articles under the infringing mark. Where, however, the wrong arises from the manner of the use of a feature in the marking of goods, which the defendant may rightly use, provided he uses it fairly, only those profits are recoverable which can be shown to have been dependent upon the fraud practiced by the defendant. 261

The controlling question on an accounting is whether a sale was induced by deception of the purchaser. The sales for the profit of which defendant must account are those lost to complainant and which would have accrued to the complainant. But profits can not be recovered where the purchaser knowingly accepted the defendant's goods, not as those of the complainant, but in place thereof. 444

When simulation of complainants' goods has been established by the decree, it will be presumed, in the absence of evidence to the contrary, that any sales thereof were induced by such simulation. 443

Accounting under a decree for unfair competition in imitating the appearance of complainant's lamps, held to be properly limited to sales where it could be shown, directly or presumptively, that the complainant would have sold the lamps but for the sales by the defendant. 489

When, upon an accounting to ascertain the damages and profits to be paid by the defendant, it appears that the defendant has sufficiently distinguished its goods from those of the complainant, only nominal damages are recoverable. 62

When an invasion of the complainant's rights is established for the purpose of acquiring so far as possible the plaintiff's customers and trade, the defendant is liable for both actual damages and for the profits, if any, it has wrongfully acquired. 168

When, on an accounting, only nominal damages are recovered, and

prior to the beginning of the accounting the defendant tendered to the complainant the sum for which judgment was directed, the costs of the proceeding must be taxed against the complainant. 62

c. Costs.

When the complainant prevails only upon an inconsequential part of its case, but fails on the main branch thereof, costs should not be awarded to either party. 396

§ 7. *Effect of Judgment.*

A decree entered in a prior suit, enjoining the defendant from the use of the name "Webster" in the sale of his dictionaries, except in connection with an explanatory notice, the form of which is prescribed, is not conclusive of the rights of the parties in a new suit based upon trespasses other than those involved in the former case. 1

One who takes over the business of another, pending a suit against the latter for unfair competition, is bound by the decree subsequently entered against the defendant in such suit. 1

One who succeeds to the business of a party defendant in a suit for unfair competition, prior to the entry of the decree, succeeds alike to the advantages and the disadvantages of that decree, and can not be held liable beyond the terms of the decree, for his acts prior to its entry, nor compelled to account for the profits of such acts, when the decree refused an accounting. 443

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UNITED STATES CIRCUIT COURT OF APPEALS

G. & C. MERRIAM CO. v. SAALFIELD.

(190 Fed. Rep., 927.)

Sixth Circuit, October 28, 1911.

1. UNFAIR COMPETITION—JUDGMENT—RES JUDICATA.

One who takes over the business of another, pending a suit against the latter for unfair competition, is bound by the decree subsequently entered against the defendant in such suit.

2. UNFAIR COMPETITION—EFFECT OF JUDGMENT.

A decree entered in a prior suit, enjoining the defendant from the use of the name "Webster" in the sale of his dictionaries, except in connection with an explanatory notice, the form of which is prescribed, is not conclusive of the rights of the parties in a new suit based upon trespasses other than those involved in the former case.

3. INJUNCTION—TERRITORIAL LIMITATION.

The courts of one circuit have no power to enforce the decree of another circuit, entered in a suit to enjoin unfair competition. An independent suit must be instituted in each circuit, to enjoin wrongful acts committed there.

4. UNFAIR COMPETITION—USE OF PROPER NAME.

The name Webster having acquired a secondary meaning as indicating the dictionaries published by complainant, the use of that name by another, must be accompanied with such explanation as will inform the purchaser that the dictionaries sold by him are not the publications of the complainant, although the copyrights under which the latter enjoyed a monopoly of the publications have expired.

Appeal from the Circuit Court of the United States for the Eastern Division of the Northern District of Ohio.

Frank F. Reed and William B. Hale (Charles N. Judson and Edward S. Rogers, on the brief), for appellant.
George F. Bean and Charles R. Miller, for appellee.

Before SEVERENS and KNAPPEN, Circuit Judges, and McCALL, District Judge.

SEVERENS, Circuit Judge.—This is a suit by bill in equity, brought by the above-named complainant, the G. & C. Merriam Company, against the defendant, Saalfeld, wherein the complainant alleges that for a long period of time it has been engaged in the publication and sale of a series of dictionaries, some large and comprehensive, and others abridgments thereof, all founded on the original dictionary prepared and published by Noah Webster, and severally bearing the name and title of "Webster's Dictionary." From this long use of that name in association with the name of the complainant, it is claimed that the distinctive name "Webster" has acquired a secondary meaning, and has long since come to be known, and is still known, by the public to signify the dictionaries published by the complainant. And thereupon the bill charges that the defendant is publishing and selling a parallel series of dictionaries, purporting to be Webster's dictionaries, and bearing his name prominently on the title page and backs thereof, and is advertising his publications to the public as genuine Webster's dictionaries, without any recognition of the prior right of complainant. And it is claimed that this action of the defendant is intended to, and in fact does, lead the public to understand that his dictionaries are the genuine Webster's dictionaries published and sold by the complainant, and that by this alleged fraudulent conduct the public is deceived and induced to purchase the defendant's dictionaries, whereby the complainant's business is greatly injured.

It appears from the record that the dictionaries of the complainant, which at the time of the commencement of this suit were being published and sold, and which are supposed to be

counterfeited by the defendant's dictionaries, have been copyrighted, but that these copyrights had expired. At all events, nothing is now claimed from any infringement of copyrights, and the case is planted solely upon the charge of unfair competition in business. But the fact that they have enjoyed the exclusive privileges afforded by the copyright law is one of much importance; for after that the exclusive privilege of the publisher is gone. He has agreed that it should be, as the price of the protection he has been accorded; and it is not now to be doubted that the name of the author is part and parcel of the matter copyrighted.

The case was brought to the attention of the Circuit Court by a motion for a preliminary injunction. But at the hearing thereof the case was by stipulation of counsel submitted as upon final hearing on the pleadings and proofs; it being agreed that the affidavits already filed should be treated as depositions, and certain other specified depositions taken in a case formerly depending in the Circuit Court of the United States for the District of Massachusetts between the present complainant and one Geo. W. Ogilvie should be considered as if taken regularly in the case before the court. The case was thereupon fully heard by Judge Tayler, who presided. The bill was dismissed, the court being of opinion that the present controversy was concluded by the decree of the court in the Massachusetts case above referred to; it appearing that Saalfeld was in privity with Ogilvie, who, as has been stated, was a party to the former suit, and that, as the court thought, the issues were the same as in the present case. The opinion of the court, which comes up with the transcript, indicates that the court, considering the facts to be the same as in the former suit, forbore to further consider the merits.

The case in the Massachusetts court comprehended an original bill filed by Ogilvie against the Merriam Company for the purpose of protecting his right to publish and sell a comprehensive dictionary which he was about to publish under the title of "Webster's Imperial Dictionary." It was therein complained that the Merriam Company was publicly denying the right of the complainant to publish the dictionary with that title and threatening to prosecute all persons engaged in the publication or sale

thereof. The Merriam Company answered the bill, and claimed to justify its opposition to the publication of the dictionary of the complainant upon the ground that it, the Merriam Company, had acquired by long-continued use an exclusive right to the use of the word "Webster," which was the characteristic of the title of Ogilvie's dictionary, in its own publications of dictionaries, and that Ogilvie's intended use of it in his own publication would be an impairment of that right. By leave of the court the defendant in that suit filed a cross-bill, in which was set forth a history of its publications, in their several forms, of Webster's dictionaries having the name of "Webster" by way of distinction in their several titles, and that its predecessors in business had also acquired the good will of the business built up under that name, and claimed that by long-continued association of that name with the business of the company, as well as by the purchase of the good will from the Webster estate, it had acquired an exclusive right to use it. The cross-bill then alleged that Ogilvie had been, and then was, in various publications of dictionaries trespassing upon this right of the cross-complainant; and the relief prayed was that the cross-defendant be enjoined from using the name as descriptive of its publications, either alone or in combination with other words. To this cross-bill Ogilvie filed an answer, in which he reiterated his claim of right to use the name of "Webster," asserted in his original bill, and denied that he was transcending the proper limitations thereof, or had any purpose to do so. Thus by the pleadings of the parties substantially the whole controversy between them as it then existed was brought before the court for its determination. Upon hearing the pleadings and proofs, Judge Colt in a clear and concise opinion held that both parties were asserting claims which exceeded their respective rights—the Merriam Company in claiming an exclusive right to use the name "Webster" in connection with its publication of dictionaries and in denouncing the claim of right set up by Ogilvie to use it; and Ogilvie, although conceding his right to use it, in not taking the proper measures to explain to the public that his dictionaries were not the dictionaries of the Merriam Company. The court so held in regard to the duty of Ogilvie, because it found that the Merriam Company had for so long a time em-

ployed the name of "Webster" in association with its dictionaries that it had acquired a secondary meaning, namely, that it was a production of the Merriam Company, and that by its use without explanation the public would understand that the dictionaries published by Ogilvie and offered for sale by him were the dictionaries of the Merriam Company, which latter the public would desire to have. A decree was entered in conformity with these conclusions. *Ogilvie v. G. & C. Merriam Co.* (C. C.) 149 Fed., 858. An injunction was ordered, but in terms which, as the Court of Appeals for that circuit held, were not sufficiently specific to define the duty of the cross-defendant. The Merriam Company appealed from the Circuit Court's decree. The Circuit Court of Appeals confirmed the rulings of Judge Colt upon the law of facts, but, for the reason that the injunction ordered was thought not to be sufficiently specific, reversed the decree and remanded the case for the entry of a decree such as the Court of Appeals thought would better fit the circumstances of the case. *G. & C. Merriam Co. v. Ogilvie*, 159 Fed., 638, 16 L. R. A. (N. S.) 549. From the decree entered by the Circuit Court on receiving the mandate, the Merriam Company again appealed, insisting that the following words should be ordered by the injunction to be made unmistakably to appear in the title-page of every volume of the class of dictionaries to which that litigation related, namely:

"This dictionary is not published by the original publishers of Webster's Dictionary or by their successors."

This amendment was sanctioned by the Circuit Court of Appeals, and the case was remanded for entry of a final decree. 170 Fed., 167, 95 C. C. A., 423. Thereupon the following decree (omitting formal and irrelevant parts) was entered in the Circuit Court:

"That a perpetual injunction issue in this suit, restraining the defendant, the G. & C. Merriam Company, its officers, agents, attorneys, and servants, and all others claiming or holding through or under it, from publishing or issuing circulars, advertisements, or notices stating in form or effect, or in any manner claiming, that it, the defendant, or any other person, firm, or corporation claiming under or through it, has exclusive right to the use of the name 'Webster' in the title of dictionaries.

"That a perpetual injunction issue in this suit, restraining the cross-defendant, George W. Ogilvie, his agents, attorneys, servants, employes, and all persons claiming or holding through or under him, from using

as the name or title of his said dictionaries described in the amended cross-bill herein, to which this litigation relates, the words 'Webster's Dictionary' or 'Webster's Imperial Dictionary' or 'Webster's Universal Dictionary,' or any equivalent thereto, upon the title-page, or upon the back or cover of said dictionaries or in any advertisement, circular notice, or announcement referring to said dictionaries, unless accompanied by the following statement, plainly printed upon the title-page, and in each said advertisement, circular, notice, or announcement, namely: 'This dictionary is not published by the original publishers of Webster's Dictionary, or by their successors'—and especially from publishing or issuing in their present form the title-pages and backs of his said dictionaries and the circulars and advertisements in this suit adjudged misleading or deceptive, or in any other form of title-page, back, circular, or advertisement that is in any way calculated to deceive purchasers into purchasing complainant's dictionary under the belief that it is a Webster's dictionary published by the G. & C. Merriam Company."

A petition for a writ of certiorari to the Supreme Court of the United States was filed by the Merriam Company, but the petition was denied. The foregoing final decree of the Circuit Court is the one which Judge Tayler held conclusive of the present controversy.

In order to constitute an estoppel by a judgment or decree in a former suit, the following conditions must exist: The former suit must have been between the same parties (or their privies) as those in the subsequent suit in which the former judgment is interposed as a bar, and the subject-matter on which the former judgment rests must be the same, or, if not the same, it must have involved some point or question bearing upon the main issue and material to its decision, in which case the judgment is conclusive upon that question. We need only to cite the two leading English and American decisions: *The Dutchess of Kingston's Case*, 2 Smith's Lead. Cas., 424, and *Pennoyer v. Neff*, 95 U. S., 714, 24 L. Ed., 565.

Guided by this rule, we proceed to consider whether the former judgment is binding upon the parties to this suit, and, if so, to what extent and upon what questions it is binding. It is contended by counsel for the complainant that the parties are not the same, nor privies to those parties, because Saalfeld was not a party to the former suit, and so not bound by the judgment, and, as estoppels must be mutual, the complainant is not bound. Let us refer to the facts. The suit in Massachusetts was commenced on August 9, 1904. The cross-bill was filed September 20th of

the same year. The answer to the cross-bill was filed January 9, 1905. Replication to the answers to the bill and cross-bill were filed as early as February, 1905. Judge Colt's decision was filed January 9, 1907, and his decree, so far as it determined the rights of the parties, was affirmed by the Circuit Court of Appeals on January 30, 1908. In May, 1908, the defendant Saalfeld "took over" the business of publishing the dictionaries from Ogilvie. The final decree was entered April 21, 1909. What was the precise nature of the contract between him and Ogilvie does not appear, and Saalfeld refuses to disclose it. The court might well presume, if need be, that the contract was only of an agency and did not transfer a substantial right. But it is not material. The case was already pending, and the whole controversy had been submitted for the judgment of the court. Though not a party, Saalfeld was bound by the final decree of the court. If a third party may thus come into the acquisition of rights involved in pending litigation without being bound by the final judgment, and require a suit *de novo* in order to bind him, he might, pending that suit, alienate that right to another with the same result, and a final decree bearing fruit could never be reached.

The remaining question is one of more difficulty. We think it clear that the decree of the Circuit Court in Massachusetts concluded the general equities of the parties. It determined that the Merriam Company had not an exclusive right to use the name "Webster" in the publication of their dictionaries; that the defendant, Ogilvie, in common with the public generally, had the right to use it in connection with his publications, but upon the condition that its use should be accompanied by an explanation that the publication was not that of the Merriam Company, which the court determined, had previously acquired the right to use as designating its own publications. But the difficulty comes in assenting to the claim that the judgment is conclusive in respect to the particular conduct of the parties required in that case for the future in order to perpetuate the enjoyment of the rights of the parties, for we more than doubt that that was of the essence of the court's decree. It is difficult to believe that the court meant to decide that the precise explanation that the defendant was required to make in using the name, and no other, should always

be used. We are inclined to think that the language of the decree in this particular should be construed as meaning that the particular explanation required would exonerate the defendant from liability for using the name in association with his dictionaries. If this be so, it must follow that in the present case, which is founded upon other transactions and trespasses than those involved in the former case, the question whether the alleged conduct of the defendant is in violation of rights of the complainant is an open one, and must be determined upon its own facts, and not upon the assumption that they are to be judged of merely by comparison with the requirements of the decree in the Massachusetts case.

It is not to be implied from what we have said that we regard the terms of the injunction ordered by the Circuit Court of Appeals for the First Circuit as an unreasonable or unjust limitation of the defendant's rights. On the contrary, we should be quite willing to adopt it, if the facts of this case should seem to call for it. The decisions of the Supreme Court in the cases of *Singer Company v. June Company*, 163 U. S., 169, 16 Sup. Ct., 1002, 41 L. Ed., 118, and *Herring Safe Co. v. Hall's Safe Co.*, 208 U. S., 554, 28 Sup. Ct., 350, 52 L. Ed., 616, amply justify the provisions of such an order. Moreover, the courts of this circuit have no authority to superintend the enforcement of the decree in the First circuit. That province belongs exclusively to the court which pronounced the decree. An independent suit was necessary to be instituted in this circuit, if the rights of the complainant required an injunction for protection against wrongful acts committed here.

On looking into the pleadings and evidence in the record before us, we are convinced that at the time when the suit was commenced the defendant in his advertisements, his publications, and sales of his dictionaries, was not observing his limitations. It seems to us that he studiously disregarded them. He constantly made use of the name "Webster" to promote his trade, and in doing so did not unmistakably indicate that his publications were not the publications of the well-known Webster's dictionaries published by the complainant. His references to other dictionaries were obscure. They might start a supercritical purchaser

upon inquiry; but the general public would be likely to assume that a dictionary offered them having the title "Webster's Dictionary," was the dictionary published by the old and well-known publishers of Webster's dictionaries, and accept the book with that tacit understanding. The defendant's constant abstention from all reference to the complaint is indicative of a purpose not to direct the attention of buyers to the fact that his own publications were not the publications they were looking for.

The averment of his answer that his publications are in conformity with the decision of the court in Massachusetts is too general. It gives no date from and after which he so conformed, and it is proven that at the time when the bill was filed he was not doing so. Moreover, the averment amounts to a mere conclusion of his own, and furnishes no data upon which the court can judge whether his opinion is correct or not. In response to an interrogatory attached to the bill, the defendant appends to his answer copies of his business advertisements and circulars to the trade, to which he refers as indicating his observance of the requirements of the Massachusetts injunction. But an inspection of them fails to show any purpose to do this. On the contrary, they show, by what they contain and what they omit to state, a purpose to keep in obscurity what his duty was to make plain. Copies of pictures of the defendant's dictionaries are shown in some of these advertisements and circulars; but only the lettering on the back and the outside of the front covers is displayed, and in this the name "Webster" is prominent, but there is no hint to distinguish the book from the original Webster's or its successor. We can only conjecture what appeared on the title-page. In short, we can not doubt that the defendant has, since the Massachusetts decree was pronounced, not merely neglected to make clear that his dictionaries were not in the line of the original publication of Webster's dictionaries and its successors, but has purposely attempted to mislead the public into the belief that his publications were legitimate successors in the line of the publications of the well-known Merriam Company, with which the general public associated the name of "Webster."

With respect to the matter of an accounting, the case is beset with the same difficulties that were present in the Massachusetts

case, and were alluded to by Judge Putnam in the final opinion of that case, and for the present we shall make no order in that regard. This, however, we will do without prejudice to a motion for rehearing in that behalf, if the complainant is advised to make such an application.

The decree of the court below must be reversed, with costs, and a decree for the complainant should be entered, awarding an injunction such as indicated by this opinion. For the sake of conformity, we will direct the form of the injunction to be entered to be that awarded at the final decree in the First circuit, copied in the foregoing opinion.

KNAPPEN, Circuit Judge. I concur in the foregoing opinion of Judge SEVERENS upon the construction thereof that what is there said regarding the defendant's failure to conform to the limitations imposed upon him is confined to the situation existing at the time of the filing of the bill in the case before this court (which was December 26, 1908), and which situation continued until after the final decree and injunction in the Massachusetts case (which were made and issued April 21, 1909), at some time after which date the defendant changed the title-pages and inscriptions of his new issues of dictionaries, as well as of his new advertising matter, for the apparent purpose of conforming to the injunction in the Massachusetts case. I think defendant's liability is to be tested by reference to the requirements of that final decree and injunction.

[The question of the right of the G. & C. Merriam Company to the exclusive use of the name "Webster" in connection with the publication of its dictionaries was extensively litigated and decided adversely to the pretensions of the company some years ago. Soon after the expiration of the copyright of the "Unabridged" edition, several suits were brought to restrain the use of the name "Webster's Dictionary" upon reprints of the books. *G. & C. Merriam Co. v. Holloway Publishing Co.*, 43 Fed. Rep., 450; *G. & C. Merriam Co. v. Famous Shoe & Clothing Co.*, 47 Fed. Rep., 411; *G. & C. Merriam Co. v. Texas Siftings Publishing Co.*, 49 Fed. Rep., 944.

In these cases, it was uniformly held that the name "Webster's Dictionary" had become public property with the expiration of the copyright, and that the defendants' right to call their reprints "Webster's Dictionary" was as clear as the right of the G. & C. Merriam Company to give that title to any book of their own publication. In the first cited case, Mr. Justice Miller said:

"I want to say, however, with reference to the main issue in the case, that it occurs to me that this proceeding is an attempt to establish the doctrine that a party who has had the copyright of a book until it has expired may continue that monopoly indefinitely, under the pretense that it is protected by a trade-mark, or something of that sort. I do not believe in any such doctrine, nor do my associates. When a man takes out a copyright for any of his writings or works he impliedly agrees that, at the expiration of that copyright, such writings or works shall go to the public and become public property. * * * The grant of a monopoly implies that, after the monopoly has expired, the public shall be entitled ever afterwards to the unrestricted use of the book."

In the last cited case, an injunction was granted against the defendant, upon the ground that the reprint was so advertised as to convey the impression that it was a new and revised edition, published by the G. & C. Merriam Company. The book was in fact a photo-lithographic reprint, published by Ogilvie & Company, of the complainant's edition of 1847. Actual deception was shown, by the defendant's misleading advertisements, in connection with its offer of the book as a premium for subscription to its newspaper "Texas Siftings." The use of the misleading advertisements was enjoined and, in view of the extent to which the advertisements had already been circulated, the defendant was obliged to insert in copies of the book thereafter issued a printed slip attached to the title page, advising the purchaser that the book was a reprint of the 1847 edition of the Webster's Dictionary.]

UNITED STATES CIRCUIT COURT

PREST-O-LITE CO. v. AUTO ACETYLENE LIGHT CO.

(191 Fed. Rep., 90.)

Northern District of Ohio, Eastern Division, October 7, 1911.

UNFAIR COMPETITION—RECHARGING ACETYLENE GAS TANKS.

The recharging and exchange by defendant of acetylene gas tanks sold by the plaintiff with its trade-mark thereon, is not unfair competition, the defendant plainly and conspicuously labeling the tanks furnished by it with its name, and a notice that the gas is not represented to be the same as the original contents of the tank.

In Equity. On final hearing.

Messrs. Winter & Winter, for plaintiff.

Messrs. Calfee & Fogg, for defendant.

TAYLER, District Judge.—I think that an analysis of this comparatively simple and uncomplicated situation leads to a

clear conviction, as to what are the rights of the parties here, and I might just as well dispose of it under the conviction that comes to me now, assuming that I understand the facts upon the strongest claim that can be made for the complainant.

The complainant manufactures what it calls "Prest-o-Lite gas tanks," which it makes of copper or some other metal that can be so shaped as to sustain very high pressure, with suitable valves and connections, and with a filling of asbestos of a certain degree, of porosity and the addition to the asbestos of a certain chemical substance of fairly constant quality and life, which is called "acetone"; and then, in order to get the effective gas to be used for lighting automobiles, this tank, thus equipped, is filled with acetylene under certain pressure. This it is which furnishes the gas.

This gas is supposed to be sufficient in quantity to burn two lamps forty hours (that is the claim of the complainant), so that within forty hours of use the tank must be recharged. Ordinarily the recharging consists merely in the refilling of it in the proper way, under pressure, with acetylene gas. I state the facts, and believe they are substantially accurate. The time may come when the acetone may require some attention. Necessarily it would not require it at every recharging.

Now the Prest-o-Lite Company sells its tanks with the understanding that whenever the gas is exhausted the owner of one of these tanks may take it to a Prest-o-Lite station, or any person who represents the Prest-o-Lite Company in that respect, and receive, upon the payment of a certain sum, in exchange for the discharged Prest-o-Lite tank, another charged Prest-o-Lite tank. The next person who comes along after this person with the discharged Prest-o-Lite tank may get the last person's discharged Prest-o-Lite tank, which in the meantime has been recharged, and so the business is carried on by the Prest-o-Lite people of charging and recharging tanks. It is a matter, in view of the permanent quality of the construction, of no concern, comparatively speaking, how old the tank is, so long as it is in condition to take the acetylene, because the life is practically unlimited, except as to the contents of the tank and the valve connections.

Now, in this situation of affairs, the defendant holds itself

out as willing to and does receive discharged Prest-o-Lite gas tanks from owners of them, and in return gives to the person who thus turns in discharged tanks recharged tanks, on such terms as may be agreeable to the parties, and the gas tank which it turns over to the person who wants to make an exchange is placarded with a red label, say three by five inches, upon which appears the legend,

"This tank is charged with acetylene, and was compressed by the Auto Acetylene Light Company, Cleveland, Ohio. Not represented to be the same as the gas with which this tank was originally filled."

The last sentence of this legend is not the most conspicuous, yet it is easily read. Now, it is this conduct of defendant which complainant seeks to enjoin, asserting that it is unfair trade and competition, and that it interferes with its rights. Have I stated the question?

(Mr. Winter asked to have something said about dealers.)

Now, is this unfair trade? The thing that is dealt with is called by the manufacturer a tank, a Prest-o-Lite gas tank. It is undoubtedly just as much a Prest-o-Lite tank, if it has not any acetylene in it, as if it is filled with acetylene—just as much as a bottle is a bottle, whether it be empty or full. Acetylene is itself a simple matter, and its quality is not discussed here, and the fact that one person may furnish acetylene of another quality than that furnished by some one else is not made the subject of the complaint, even if it were true that one acetylene could be different from another, which, of course, chemically it could not be.

Now, what does the defendant do? Somebody brings a tank to its place of business upon which is the plate, "Prest-o-Lite Gas Tank, manufactured by the Prest-o-Lite Company." That is just as true when it is discharged and brought to somebody to be recharged as it was the day it was shipped from the factory charged, a Prest-o-Lite gas tank. The defendant recharges it. That costs a small sum, compared to the value of a new tank equipped and charged; that is to say, the charging adds but little—the charging with acetylene. And it would probably be an outrage on the rights of the complainant for the defendant on its own motion to take the plate off and pass off on the community

as its own the tank of the Prest-o-Lite Company's manufacture, because in all material respects as a gas tank they have denied to the manufacturer the credit for that gas tank by merely putting in it recharges of acetylene.

Acetylene is something which everybody wants to get for lighting the headlights of his automobile. The question is how it can be procured with the most convenience and safety, and so as to furnish the best light for the forward part of the automobile; and this tank does it—serves the demand. In order that there may be no error or misapprehension of the truth about it, the defendant pastes this label on the tank. I do not know whether it was shown that this was being done at the time the bill was filed or since; but, at all events, a practical statement of the case is that the defendant pastes a label on the tank which negatives the idea that the Prest-o-Lite Company charged it. So that no deception is practiced on any person who does such an unimportant thing to an automobile as to exchange the acetylene tank, for the label is there before his eyes, and if he does not read it he can not claim that he was deceived.

But I do not attach so much importance to that label, although it ought to be there. I mean by that that the exchange of the acetylene tank on an automobile is not like buying a fountain pen, or loaf of bread; or some other thing of ordinary commerce, for a man never has but one of them at a time; that is, one on each vehicle at a time. Now, when the acetylene is exhausted, if he has a Prest-o-Lite tank, and it has been filled with acetylene furnished or put into this tank by some Prest-o-Lite concern, he takes it some place where he has heard that it can be refilled. He is perfectly deliberate about it, and can find out, if he wants to, if that is a Prest-o-Lite station or not, and whether they can fill it with acetylene gas which will be sufficient for his use; and he very deliberately gets the other one back, and, even though he does not know anything about it when he makes the exchange, he can find out, when he gets the new one back, whether it is a Prest-o-Lite tank or not.

The statement that this label may come off is, of course, true, and that is what ought to happen, because, theoretically and practically, unless the man returns constantly to the same place,

a new label ought to be put on each time the tank is recharged, if it is recharged by another than a Prest-o-Lite concern.

But I gather that the complainant contends that the defendant is unlawfully interfering with its business, not so much because it amounts to an injustice to the purchaser, for it does not and can not work injustice to a purchaser who does it voluntarily, but because it is an interference with the complainant's method of doing business. Assuming that the complainant has made the most of its evidence as to deception, it is not only meager, but trivial. Nobody ever seems to have been deceived or hurt by the conduct of the defendant. What the complainant really seeks to do is to establish a monopoly in its gas tanks. Well, now, there is no legal objection to a monopoly which arises out of a patent, for it is in its very nature a monopoly; but that can not arise by interfering with the freedom of some individual who owns a tank to go anywhere he pleases and get his tank exchanged for another tank, unless in the operation of the exchange that person is deceived, and through such deception some reflection is cast upon the Prest-o-Lite Company's tank. That is the only way by which the Prest-o-Lite Company can get into this matter.

I am clearly of the opinion that the bill ought to be dismissed.

[A company engaged in buying burned out electric lamps and renewing them for resale, it has been held, must obliterate the trade-mark of the original manufacturer thereon, when this can be done at a small cost, in the course of reconstruction. This decision is perhaps that most nearly analagous to the one reported above. *General Electric Co. v. Re-New Lamp Co.*, 128 Fed. Rep., 154.]

A system whereby the owner of the Prest-o-Lite gas tank might have prevented the trafficking in and the refilling of its tanks is indicated by a decision of the superior court of Cooks County, Illinois, in October, 1909. The complainants in this suit were several bottling houses whose goods were sold in bottles or syphons, under agreements that the containers should remain the property of the bottlers and should be returned to them, only their contents being sold. The defendants, dealers in empty bottles, were enjoined from procuring, dealing in, or selling any of the bottles or syphons of the complainant. *Bulletin Vol. V, p. 275.*

The decisions upholding penal statutes, which make it a crime to traffic in empty bottles, that have been delivered to customers under the lack of agreements to remain the property of the dealer and to be returned to him when empty, are instructive in this connection. *Lippman v. The People*, 175 Illinois, 101; *Horwich v. Walker-Gordon-Laboratory Co.*, 67 Northeastern Rep., 938; *People v. Cannon*, 139 N. Y., 32; *Commonwealth v. Anselwich*, 186 Massachusetts, 376.

Reference may also be made to decisions relative to the right of dealers, to traffic in parts or repairs for trade-marked articles. *Edison*

Mfg. Co. v. Gladstone, 58 Atlantic Rep., 391; *Deering Harvester Co. v. Whittman & Barnes Mfg. Co.*, 91 Fed. Rep., 376; *Enterprise Mfg. Co. v. Bender*, 148 Fed. Rep., 313; *Bender v. Enterprise Mfg. Co.*, 156 Fed. Rep., 641.

For a general and detailed discussion of the rights of a dealer in the sale of goods purchased by him, bearing trade-mark of the manufacturer, see Bulletin, Vol. V, pp. 190-201.]

HOLEPROOF HOSIERY CO. v. WALLACH BROS.

(190 Fed. Rep., 606.)

Southern District of New York, January 14, 1911.

1. TRADE-MARK—DESCRIPTIVE TERM.

The word "Holeproof" as applied to hosiery, if ever descriptive, has acquired a secondary meaning indicating to the prospective purchaser the goods of the complainant.

2. TRADE-MARK—INFRINGEMENT.

The mark "Holeproof" is not infringed by the use of the word "Knotair" as applied to the same goods.

3. UNFAIR COMPETITION—SIMILARITY OF PACKAGES.

The seller of a new product must present it to the public in a dress that shall distinguish it from other like articles of a different origin. The use of a yellow package, in imitation of the complainant's, combined with other features of similarity, held to be an actionable wrong.

4. UNFAIR COMPETITION—EVIDENCE—TRAP ORDERS.

Purchases made by complainant's employees, sent for the purpose, are sufficient to warrant an inference of fraudulent sales, and consequent deception of purchasers.

In Equity. On final hearing.

For decisions on motion for preliminary injunction, see 167 Fed. Rep., 373, and 172 Fed. Rep., 859.

Walter C. Booth, Frank F. Reed and Edwin H. Rogers,
for plaintiff.

Gardenhire & Jetmore and Aaron P. Jetmore, for defendant.

HAZEL, District Judge.—The bill of complaint alleges unfair competition in trade and infringement of complainant's trade-name "Holeproof" as applied to hosiery. The hosiery sold by

the defendant is advertised and sold under the name "Knotair" and is manufactured by the Knotair Hosiery Company. The questions to be considered are, first, whether the complainant's trade-mark or device is descriptive merely and as applied to hosiery not the subject of a valid trade-mark, and, second, whether the defendant by its trade-mark, packages and accessories infringes those of complainant.

The facts are not thought essentially different from those presented on the motion for preliminary injunction herein. Judge Hough in his decision and as an introductory thereto so fully and concisely detailed them that their extended recital is unnecessary here. *Holeproof Hosiery Co. v. Wallach Bros.* (C. C.) 167 Fed., 373. On appeal from said decision the Circuit Court of Appeals for this court held that the word "Holeproof" was not descriptive, and that by extensive advertising and large sales it has acquired a secondary meaning "indicating to the prospective purchaser, not that the socks sold under it are indestructible, but that they are those which complainant has been making and supplying to consumers, apparently to their entire satisfaction." *Holeproof Hosiery Co. v. Wallach Bros.*, 172 Fed., 859, 97 C. C. A., 263. Such holding as to the asserted descriptiveness of the trade-name or design is the law of this case, which this court is bound to follow.

In my judgment, the arbitrary name "Knotair," used in connection with the sale of hosiery without the similarities in dress of the defendant's package to that of complainant, would not delude the unwary buyer. The defendant corporation has shown that "Knotair" hosiery is the distinctive trade-name or device by which its socks are placed on the market, and that such socks have become known to the public by such designation. The word "Knotair" differs in appearance and pronunciation from the word "Holeproof," and it can not be presumed that the defendant simply in using its trade-mark or device practiced a fraud on the public or on complainant's customers. Certainly "Knotair" printed on packages containing hosiery and upon slips or coupons colored or printed in a different manner from those used by complainant could not be held to resemble the trade-mark or design or dress of complainant's product. The trade-marks

"Holeproof" and "Knotair" doubtless convey the same idea or purpose, namely, that holes or tears will not readily appear in the socks from wear, but this resemblance, standing alone, is without controlling significance in view of the fact that the word "Holeproof" is not strictly imitated by the word "Knotair" in such a manner as to deceive the unwary purchaser who wishes to buy socks of complainant's manufacture and guaranty.

Proceeding to a discussion of the question of unfair competition, does the trade-mark or design "Knotair," used in connection with the style or color of package, printing, type, and coupon tickets, resemble the complainant's package of guaranteed socks so as to enable the defendant to palm off its goods on intending purchasers of the complainant's product? The evidence shows in my estimation that the defendant in adopting its packages and coupon slips together with the collocated elements, the color of the package, flaps and the phrasing of the guaranty tickets, intended to deceive the unwary buyer into believing that he was purchasing the guaranteed hose of complainant. It appears that in 1898 complainant originated a novel system by which its socks were sold in six pair lots, under a printed guaranty stating that, if holes appeared in the socks within six months of the time of purchase, another pair would be given gratis to the buyer. On each box the trade-mark "Holeproof" was printed prominently and the guaranty tickets inclosed therein. Afterwards, in 1904, the manufacturer of complainant's hosiery devised a special package for its product, consisting of an oblong box of bright yellow color, with printed end and side flaps. Upon the cover of the box there is placed a circular trade-mark device containing the words "Holeproof Hosiery," and underneath the monogram, "H. H. C." Around each pair of socks a paper band was placed with the trade-mark device printed thereon, and inclosed in the box were duplicate guaranty slips printed on a strip and so perforated as to enable tearing off each slip when necessary. Printed instructions advising purchasers how the guaranty strips were to be used were also inclosed in the box containing the hose. The garb and dress for its hosiery were unusual and distinctive, and complainant expended large sums in advertising "Holeproof" socks and the adopted form of guaranty and dress for its com-

modity. The trade-name or design "Knotair" was adopted by the manufacturers of the hose sold by the defendants in 1906, and the packages containing them were of red color, or such color as the dealer or jobber might designate. Subsequently, in 1908, the defendant who was in business in the city of New York, and had been dealing in "Holeproof" socks, buying them from complainant, accepted the agency of the "Knotair" hosiery, and immediately it began advertising the sale by it of "Knotair" hosiery under the guaranty plan. The red packages or boxes were abandoned, and in their place yellow packages with lettering in prominent black and red type and white label was adopted. Flaps were put inside the boxes to resemble complainant's arrangement, the trademark "Knotair" printed in red, the duplicate coupon slips printed and colored as in complainant's. In this situation it is not thought enough to avoid infringement that the defendant admonished its employes not to substitute "Knotair" socks for "Holeproof." The evidence indicates that by mere silence in answer to the request of the unwary purchaser for "Holeproof" socks and by simply placing before him a package of "Knotair" socks he is liable to be deceived; and, indeed, by innuendo or indefiniteness of language, a clever salesman may easily palm off "Knotair" socks for those of complainant if such were his intention. Such in my estimation is the resemblance in dress of the defendant's hosiery to that of complainant. The intention of the defendant to reap a gain from the popularity of complainant's goods or from their extensive advertising or the novelty of its plan is clearly perceivable. It is well settled in this country and in England that a man who wants to sell or advertise his goods, if they have not been sold or advertised before, must distinguish them from those of other manufacturers and dealers in a like commodity. The situation in the present case peculiarly required that the defendant with honest intention should place its goods upon the market by distinctive marks and packages, and such as would not render it open to the charge of deceiving the ordinary purchaser who may desire to purchase the product of complainant, and who, it is quite likely, may merely look at the oblong yellow package, the printed matter, and the yellow guaranty slips by which the hosiery of the complainant became known to him and the public.

There is no force in the defendant's contention that complainant's witnesses who were its employes and made purchases of defendant's socks while asking for "Holeproof" socks were not deceived, and therefore it is not affirmatively shown that there was a probability of purchasers being defrauded or that the defendant intended to mislead. The manner in which the sales in most instances were consummated, together with the adopted dress in resemblance of complainant's dress, warrants the inference that fraudulent sales were intentionally made. *Fairbank Co. v. Bell Mfg. Co.*, 77 Fed., 869, 23 C. C. A., 554; *Delong Hook & Eye Co. v. Francis Co.*, (C. C.) 139 Fed., 146.

It is true the complainant can have no monopoly of guaranteed hosiery or of slips containing a guaranty to replace socks that become torn within six months, nor can the defendant be concluded to use the words "Guaranteed Hosiery," but the adoption of complainant's colored package, the color and arrangement of its coupons, and printed matter, the style of printing, in short the peculiar appearance, dress, or combination of elements used by the complainant, is a wrongful act, and preventable by a court of equity.

The complainant may have a permanent injunction and decree in conformity with this decision, with costs.

[The complainant's rights in the trademark "Holeproof" have been the subject of two other adjudications. The Circuit Court for the district of New Jersey, in November, 1908, granted a preliminary injunction against the use of the name "No-Hole" and the trade-name "No-Hole Hosiery Co.," accompanied by simulation of the complainant's package and guaranty card. *Holeproof Hosiery Co. v. Fitts, et al.*, 167, Fed. Rep., 378. The Circuit Court for the northern district of Georgia, northern division, in the same month, overruled a demurrer to a bill of complaint, charging unfair competition in the use of the terms "Toe Proof" and "Stayhol" in the marking of hosiery, accompanied by simulation of the complainant's package, labels, tags, etc. *Holeproof Hosiery Co. v. Richmond Hosiery Mills*, 167 Fed. Rep., 381.]

BERNSTEIN V. DANWITZ.

(190 Fed. Rep., 604.)

Southern District of New York, October 4, 1911

I. TRADE-MARK INFRINGEMENT—JURISDICTION.

In a suit for infringement of a registered trade-mark and for un-

fair competition, where the parties are both citizens of the same state, and neither the bill nor the decree confines the relief sought or granted to interstate or foreign commerce, the court is without jurisdiction.

2. UNFAIR COMPETITION—JURISDICTION.

A federal court has no jurisdiction of a suit for unfair competition between citizens of the same state, the trade-mark involved having been held not to be infringed.

In Equity. On motion to punish for contempt.

Wise & Lichtenstein, for complainant.

Samuel Bitterman, for defendant.

WARD, Circuit Judge.—A motion was made in this cause some time since for a preliminary injunction. When it was reached on the calendar the defendant's counsel arose and presented the court the packages of both parties and said he would submit to any decree which the court recommended. The defendant's package was an obvious imitation of the complainant's, and I then required certain changes to be made, which the defendant has carried out in his present package. The parties agreed upon a form of decree, which the complainant says is violated by the defendant's present package. This may perhaps be so in respect of features of imitation other than the registered trade-mark.

Upon reading the bill I find that the complainant relies both upon his registered trade-mark and upon unfair competition; that the parties are both citizens of this state; and that there is nothing either in the bill or in the decree confining the relief prayed for or granted to commerce carried on with foreign nations or among the several states or with the Indian tribes. In the absence of proof of this the court would be without jurisdiction. *Warner v. Searle & Hereth Co.*, 101 U. S., 195, 24 Sup. Ct., 79, 48 L. Ed., 145. But, assuming that there was such evidence, the defendant's package does not, in my opinion, imitate the complainant's registered trade-mark at all.

The complainant's registered trade-mark is a rectangle with a heavy black band at the top and the picture of an old woman

wearing spectacles and with a sadiron in her hand, accompanied by a broad red band; the respective positions not being defined.

The defendant, on the other hand, has a rectangle representing an Indian drawing a bow inserted in a yellow arrow on the face of the package. The question, therefore, is, assuming the complainant's registered trade-mark to be valid and not infringed, has this court jurisdiction to pass upon the general question of unfair competition?

The Supreme Court has held that where a trade-mark is invalid, and the parties are citizens of the same state, the Circuit Court can not consider the question of unfair competition. *Elgin Watch Co. v. Illinois Watch Co.*, 179 U. S., 665, 21 Sup. Ct., 270, 45 L. Ed., 365; *Leschen Rope Co. v. Broderick*, 201 U. S., 166, 26 Sup. Ct., 425, 50 L. Ed., 710.

Where the trade-mark has been found valid but not infringed, the Circuit Court of Appeals of this circuit has held that the Circuit Court has no jurisdiction of the question of unfair competition. *Burt v. Smith*, 71 Fed., 161, 17 C. C. A., 573; *Hutchinson v. Loewy*, 163 Fed., 42, 90 C. C. A., 1.

In the remaining category—that is, where the trade-mark is found valid and infringed—there is a difference of opinion among the courts whether the Circuit Court has also jurisdiction of the other claim of unfair competition. Such jurisdiction was denied in patent suits in *King v. Inlander* (C. C.) 133 Fed., 416, and *Cushman v. Fountain Pen Co.* (C. C.) 164 Fed., 94. Judge Archbald in the Third circuit with some hesitation held to the contrary in *T. B. Woods Sons Co., v. Valley Iron Works* (C. C.) 166 Fed., 770, but he was not followed in the same circuit by Judge Holland in the subsequent trade-mark case of *Mecky v. Grabowski* (C. C.) 177 Fed., 591.

The case under consideration falling within the second of the above categories, the motion is denied.

[In recent cases, the United States Supreme Court has held that in suits between citizens of a foreign country and a corporation organized under the laws of a state, a federal court has jurisdiction both on the question of trade-mark infringement and unfair competition, *Baglin v. Cusenier Co.*, Reporter, Vol. I, p. 147; that in a suit between citizens of different states alleging infringement of a registered trade-mark and unfair competition in trade, the Supreme Court has jurisdiction to review

the decision of the court of appeals upon both issues. *Standard Paint Co. v. Trinidad Asphalt Co.*, Reporter, Vol. I, p. 10.

Recent Circuit Court decisions have held that in an action between citizens of the same state, a federal court has jurisdiction to try only the issue of infringement of a registered trade-mark. It can not entertain the issue of unfair competition. *Thaddeus Davids Co. v. Davids, et al.*, Reporter, Vol. I, p. 310; but if the acts of unfair competition are inseparable from the acts of infringement and form part of one entire course of conduct, the court has jurisdiction. *Ross v. H. S. Geer Co.*, Reporter, Vol. I, p. 310.]

NEW YORK COURT OF APPEALS

WORLD'S DISPENSARY MEDICAL ASSOCIATION V. ROBERT J. PIERCE.

(203 N. Y., 419.)

November 28, 1911.

I. UNFAIR COMPETITION—DEFENSE OF UNCLEAN HANDS.

The defense to an action for unfair competition that the plaintiff does not come into equity with clean hands, is unavailing unless the illegality or fraud relied upon is related to the subject of the action. In a suit to restrain unfair competition with respect to certain proprietary remedies sold by the plaintiff, it is no defense that the plaintiff, a corporation, is conducting a hospital and practicing medicine in violation of law.

2. UNFAIR COMPETITION—UNAUTHORIZED USE OF TITLE "DR."

Plaintiff's preparations, the formulas for which were originated by Dr. Ray V. Pierce, having become widely known as "Dr. Pierce's Remedies," the use by the defendant, not a licensed physician, of the title "Dr." in the name "Dr. Pierce," is a fraud that should be enjoined.

3. PROPER NAME—RIGHT TO USE.

It is a general principle of law that one's name is his property, and carries the same right to its use and enjoyment as does any other species of property. One may not, however, through unfairness, artifice, misrepresentation, or fraud in the use of his name, induce the public to believe that his product is that of another.

4. PROPER NAME—RESTRICTION ON USE.

When a proper name has, by the efforts of one person through a long period of years, become associated with the products of a business and acquired a high reputation in connection with those products, any other of that name seeking to enter the field must use the name so as to avoid deception of the public, or with such explanation as will inform the public that his goods are not those of the plaintiff.

Plaintiff having given reputation to the name "Pierce" in connection with the sale of proprietary remedies, the defendant should be enjoined from the use thereof except in connection with his full first name "Robert" followed by his middle name in full, or the initial thereof.

Appeal from a judgment of the Appellate Division of the Supreme Court, fourth department, which affirmed a judgment in favor of the plaintiff, recovered on trial of the action at special term.

For opinion below, see 138 App. Div., 401.

David M. Dean, for appellant.

Joseph M. Morey, for respondent.

COLLIN, J.—The action is to restrain unfair competition in the use of trade-names.

The plaintiff was incorporated in 1879 under chapter 40 of the Laws of 1848 and the acts amendatory and supplemental thereto. The amendatory act, chapter 838 of the Laws of 1866, authorized an incorporation "for the purpose of carrying on any kind of manufacturing, mining, mechanical, chemical, agricultural, horticultural, medical or curative business." The objects for which the plaintiff was incorporated were "the manufacturing, compounding and vending of medicines, consultation and operating in surgery, consultation and prescribing, furnishing and administering medicines and other curative and hygienic agents for invalids and furnishing care, attendants and home accommodations for the same." One Ray V. Pierce, a physician, transferred to the plaintiff upon its incorporation his business of manufacturing and selling under their trade-names proprietary remedies and conducting a private hospital and medical practice. The proprietary remedies which the plaintiff manufactures and sells are named "Dr. Pierce's Golden Medical Discovery," "Dr. Pierce's Favorite Prescription," "Dr. Pierce's Pleasant Purgative Pellets," "Dr. Pierce's Compound Extract of Smart Weed or Water Pepper," "Dr. Pierce's Lotion Tablets," "Dr. Pierce's Cough Syrup," "Dr. Pierce's Ammonic Camphorated Liniment," and "Dr. Pierce's Medicated Soap," which are commonly known to the public as "Dr. Pierce's Remedies" and also as "Pierce's Remedies." Ray V. Pierce has been at all times and is now the president and a director of the plaintiff and devised the formula for each remedy. The lotion tablets are sold in boxes, having upon their tops the words "Dr. Pierce's Purify-

ing and Strengthening Lotion Tablets, World's Dispensary Medical Association, Props., Buffalo, N. Y.," and elsewhere the words "Dr. Pierce's Genuine Family Medicines," together with a facsimile signature of Ray V. Pierce, to wit: "R. V. Pierce, M. D." A part of the business of the plaintiff has been and is carrying on the hospital and medical practice founded by Ray V. Pierce. The plaintiff's remedies have become widely and favorably known and have an extensive sale throughout the United States and elsewhere.

The defendant since some time after 1899 has advertised and sold a certain proprietary remedy in the form of tablets under the name of "Dr. Pierce's Tansy, Cotton Root, Pennyroyal and Apiol Tablets," which are put up in boxes having on their tops the words "Dr. Pierce's Empress Brand Tansy, Cotton Root, Pennyroyal and Apiol Tablets," and elsewhere the words "Dr. Pierce's Empress Brand" and the words, "the genuine has signature on box R. J. Pierce," the words "R. J. Pierce" being a facsimile signature. He is selling also another proprietary remedy known as "Pierce's Empress Brand Pennyroyal Tablets" in boxes having upon their tops those descriptive words and elsewhere the words, "The Genuine has the signature on box R. J. Pierce," the words "R. J. Pierce" being a facsimile signature. The defendant is not a licensed physician, nor entitled to practice as such under the law of the state. The trial court found as facts that the use by defendant of the words "Dr. Pierce" is unlawful; that the names and labels used by defendant are calculated and designed to cause the public to believe that the defendant's remedies are manufactured and sold by plaintiff, and confusion between the business and remedies of the parties will be created by their continued use; and as conclusions of law that the defendant in using the names designating his remedies is unfairly competing with the plaintiff, and that by a judgment the defendant be forever restrained from using in connection with his remedies those names or the words "Dr. Pierce" or "Dr. Pierce's," or any name which includes the word "Pierce" or "Pierce's" in such manner as to be calculated or designed to cause the purchasers of his remedies to believe them to be manufactured or sold by the plaintiff, or the word "Pierce" or "Pierce's" in connection with his business in such manner as

to deceive or be calculated to deceive the public or the customers of either of the parties. The judgment of the Special Term was unanimously affirmed.

The principal contention of the defendant is that the plaintiff can not lawfully practice medicine and conduct the hospital because it is a stock corporation (See *People v. Woodbury Dermatological Institute*, 192 N. Y., 454), and that the judgment protects its use of the trade-name "Dr. Pierce" in its illegal practice, and, therefore, violates the rule that a plaintiff who does not come into a court of equity with clean hands is refused relief. (*Prince Manfg. Co. v. Prince's Metallic Paint Co.*, 135 N. Y., 24; *N. Y. & N. J. Lubricant Co. v. Young*, 77 N. J. Eq., 321.) A majority of the court do not think it necessary, under the findings of the trial court, to consider and decide whether or no the plaintiff is violating the law of the state by practicing medicine and conducting the hospital. They are of the opinion that, even if it should be held that it is violating the law in this respect, it would not thereby be debarred from protection, otherwise proper, in respect of its manufacture and sale of proprietary remedies which are entirely separate from and in no manner connected with the practice of medicine. The minority of the court, of whom the writer of this opinion is one, do not assent to the view of the majority, but refrain from an unavailing discussion. The court, therefore, leaves unconsidered and undetermined the question pressed upon us by the appellant, whether the plaintiff may lawfully practice medicine and conduct a hospital. No other contention of the appellant warrants the reversal of the judgment.

Appellant's contention that the judgment is too broad and drastic is well founded. Its restraint of the defendant from the use in any way of the designations "Dr. Pierce" or "Dr. Pierce's" is legal and just, because he is not a licensed physician nor entitled to practice under the law of the state. (Public Health Law, §§ 161, 174.) The defendant has, however, the right to use his own name in his own business. It is a general principle of law that one's name is his property, and he has the same right to its use and enjoyment as he has to that of any other species of property. (*Chas. S. Higgins Co. v. Higgins Soap Co.*, 144 N. Y., 462; *Brown Chemical Co. v. Meyer*, 139 U. S., 540.) It is, however,

also a general principle of law that no man has the right to sell his products or goods as those of another. He may not through unfairness, artifice, misrepresentation or fraud injure the business of another or induce the public to believe his product is the product of that other. The law protects the honest dealer in the business which fairly is his, and the public from deception in trade. In this case, as in others which have been before the courts, these principles must, because of the identity in the surname of the defendant and the trade-name used by the plaintiff, be reconciled and amalgamated. The plaintiff and its predecessor, Dr. Pierce, solely through a long period prior to 1899 associated the name Pierce with the proprietary remedies sold by it and which had acquired a high reputation and an extensive market. The name designates and causes the public to buy the remedies with which it is associated as those of the plaintiff. It, when associated with the defendant's remedies, is "calculated and designed to deceive and defraud the public, and the buyers and users of the plaintiff's proprietary remedies and tablets." The defendant has the right to use his name. The plaintiff has the right to have the defendant use it in such a way as will not injure his business or mislead the public. When there is such a conflict of rights, it is the duty of the court so to regulate the use of his name by the defendant that, due protection to the plaintiff being afforded, there will be as little injury to him as possible. Defendant should so use his name in connection with his remedies that he will obviate deception or with an explanation which will inform or be a notice to the public that those remedies are not those of plaintiff. (*Herring-Hall-Marvin Safe Co. v. Hall's Safe Company*, 208 U. S., 554; *Devlin v. Devlin*, 69 N. Y., 212; *Meneely v. Meneely*, 62 N. Y., 427.)

We have already stated that the defendant can not use his name with the prefix "Dr." We have concluded that due and adequate protection will be afforded to the plaintiff and the public if the defendant is enjoined additionally from using the words "Pierce" or "Pierce's" in advertising, describing, designating, labeling or selling his proprietary remedies unless said word be immediately preceded on the same line therewith by defendant's first or proper Christian name and his middle name or the initial

letter thereof in letters identical in size, color, style or type and conspicuousness with those of said word, so that said word shall not appear for any of the purposes aforesaid except when thus conjoined with the words "Robert J." or "Robert" followed by the middle name of the defendant.

The judgment should be modified so that the restraining part thereof will provide: "Adjudged that the defendant, his servants, agents and employees, be forever enjoined and restrained from putting up, selling, advertising or offering for sale any tablets, proprietary remedy or product, manufactured by or for the defendant, under any name having the words 'Dr. Pierce' or the words 'Dr. Pierce's' as a part thereof, or in boxes or packages having upon them or bearing labels having upon them any name having the words 'Dr. Pierce' or the words 'Dr. Pierce's' as a part thereof and from using the words 'Dr. Pierce' or the words 'Dr. Pierce's' in the business of defendant; and from using the word 'Pierce' or the word 'Pierce's' in advertising, describing, designating, labeling or selling the tablets or proprietary remedies manufactured and sold by or for the defendant unless said word be immediately preceded on the same line therewith by the defendant's first or proper Christian name and his middle name or the initial letter thereof in letters identical in size, color, style of type and conspicuousness with those of said word, so that said word shall not appear for any of the purposes aforesaid except when the words 'Robert J.' or 'Robert' immediately followed by the middle name of the defendant in the form hereinbefore provided are conjoined with it;" and the judgment as thus modified should be affirmed without costs to either party.

CULLEN, Ch. J., GRAY, HAIGHT, VANN and HISCOCK, JJ., concur; WILLARD BARTLETT, J., votes for reversal.

Judgment accordingly.

[That in order to constitute a defense, the fraud charged against the complainant must be immediately related to the use of the trade sought to be protected, see *Shaver v. Heller & Merz Co.*, 108 Fed. Rep., 821 (834). In this case it was held that fraudulent representations of the complainant in connection with the marking of two other lines of bluing, constituted no defense to an action for unfair competition with the complainant's "American" ball blue.]

NEW YORK SUPREME COURT

THE WATERPROOFING CO. V. HYDROLITHIC CEMENT CO.

(New York Law Journal, December 23, 1911.)

Special Term, December 22, 1911.

1. ASSIGNMENT OF TRADE-MARK.

The sale by a trustee in bankruptcy, under order of the court, of all the property of the bankrupt except accounts and bills receivable, carries the trade-mark and good will of the business. A subsequent and separate assignment of such good will and trade-mark by the trustee, therefore, conveys nothing and gives to the second assignee no title to the mark.

2. ASSIGNMENT OF TRADE-MARK—ORAL RESERVATION.

The testimony of the assignor of a trade-mark, an interested party, that an assignment absolute in form was intended to convey only a license to use the mark, the title thereto being reserved to the assignor by oral agreement, is insufficient to overcome the plain effect of the instrument.

In Equity. On the trial of the action.

D. Anthony Usina, for plaintiff.

Louis J. Frey, for defendant.

MCCALL, J.—The plaintiff's complaint sets forth three alleged causes of action, the first and third of which are based upon unfair competition by defendant in the sale of its cement and coatings under the name "Hydrolithic" and in the use of a trade-mark consisting of a desert scene with pyramids, and containing the words, "Dry as the desert. Permanent as the pyramids;" and the second of which is based upon alleged fraudulent acts of the defendant in advertising work executed by the plaintiff as having been done by defendant, thus perpetrating fraud upon plaintiff and a deception upon the public; and prays for injunctive relief, for an accounting, and for judgment for the damages sustained by reason of the acts complained of. The answer, after denying practically all the material allegations of the complaint and setting up separate defenses, alleges three counterclaims each of which substantially alleges the same facts as plaintiff alleged against the defendant, and prays for the same relief. The essen-

tial facts as established by the evidence are as follows: One Edward J. Winslow invented certain new and useful improvements in processes for making cement and used such product in his business for some time under the name of "hydrolithic cement;" thereafter he created a corporation under the name of E. J. Winslow Company, of which corporation the inventor was made president. The letters patent of such invention were assigned to the company and the product was largely advertised, and in time it became known as a waterproof cement manufactured by such company under the name "Hydrolithic." On January 1, 1906, the E. J. Winslow Company entered into an agreement with the plaintiff for the purpose of further promoting its business in certain Eastern territory, and thereby authorized and licensed the plaintiff to solicit and execute in its own name hydrolithic coating and construction work for a period of five years ending January 1, 1911, with the understanding that such work should be stamped "Winslow's Hydrolithic System," and that the plaintiff should not have the right to advertise or represent in any way whatsoever that it was the manufacturer of hydrolithic coating or cement, and would otherwise protect the patent rights of the E. J. Winslow Company. A petition in bankruptcy was presented against the E. J. Winslow Company, and on April 16, 1908, Edwin D. Buell was appointed receiver of such company's property. On April 27, 1908, the adjudication in bankruptcy was entered, and on May 25, 1908, said Edwin D. Buell was appointed trustee of the estate of said bankrupt; thereafter by an order of the District Court of the United States for the Northern District of Illinois, bearing date the 22d day of June, 1908, said trustee was duly authorized to transfer to one Oscar Reithel all of such trustee's right, title and interest in and to all the property of said bankrupt except the accounts and bills receivable, and in pursuance of such order said trustee by an instrument dated the 25th day of June, 1908, transferred such property to said Oscar Reithel, who thereupon and on the same day indorsed upon such instrument an assignment of such property to William H. Werner, William H. Pronger and John L. Zacharias, who transferred all their right, title and interest in such property to one Emery C. Pronger. After the failure of

the E. J. Winslow Company, E. J. Winslow formed the defendant company and became its president, and the business of the defunct concern was continued by the defendant in the offices formerly occupied by the E. J. Winslow Company, and the defendant company continued to use and advertise the word "Hydrolithic" and the trade-mark heretofore used by the E. J. Winslow Company. On or about December 1, 1908, an order was entered in the bankruptcy proceeding authorizing the trustee to pay the plaintiff \$250 in full and complete settlement, satisfaction and discharge of all claims and demands whatsoever of the plaintiff against the bankrupt estate upon open accounts or under said contract, and such settlement was accepted by plaintiff and duly made. Thereafter, on the application of the defendant, the trustee in bankruptcy made application to court for leave to sell the good will of the business theretofore conducted by the E. J. Winslow Company and the right to use the word "Hydrolithic" and the trade-mark hereinbefore mentioned for \$50, and the court by an order dated April 13, 1909, authorized said trustee to transfer to the defendant all of his right, title and interest as trustee in said good will in the word "Hydrolithic" and in the trade-mark aforesaid, and thereafter by an instrument dated April 13, 1909, said trustee transferred his interest in such property to the defendant accordingly. On April 18, 1910, Oscar Reithel executed an assignment to the defendant company of all his right to such good will, word and trade-mark. The plaintiff caused the hydrolithic cement theretofore manufactured by the E. J. Winslow Company to be analyzed (an absolute violation of the agreement under which it received its original license) and, after the discontinuance in manufacturing and sale of the waterproofing cement and coatings by the bankrupt aforesaid, continued in this State in its own name the business of securing contracts for and supplying the said material and applying the same to the structures to be waterproofed under the name "Hydrolithic" and said trade-mark, claiming that it "automatically inherited the name" under its contract aforesaid. The defendant likewise continued the use of said trade-name and mark in the State of Illinois and elsewhere, and since February 15, 1910, entered into the New York territory with its business under such trade-name and mark. By

the issuance and distribution of advertising matter by both parties and their predecessors in the business aforesaid, as well as by the methods employed by such parties, the word "Hydrolithic" has become known as a word indicating a certain waterproofing cement made and sold by plaintiff as well as by the Winslow Company. In so far as the plaintiff is concerned, it is evident that it simply appropriated the good will, trade-name and mark of the E. J. Winslow Company after that concern was unable to perform its contract with the plaintiff, and I am of the opinion that the plaintiff has not established any right thereto under the circumstances existing in this case. I find more difficulty in disposing of the claim of the defendant. There is no doubt but that Edward J. Winslow was the original owner of all the rights in question. But for his testimony that in transferring his business to the E. J. Winslow Company he made a verbal agreement with such company whereby he reserved the product and the trade-name, and granted a mere license to such company to use the same, the question of the defendant's claim would likewise be easily disposed of. But I am not inclined to attribute any great or convincing force to this testimony that by oral understanding or through process of mental reservation there was withheld from the transfer made by Mr. Winslow to the company that which would necessarily constitute its very life; and when viewed in the light that such testimony has been elicited from a party in interest, and that such testimony is wholly inconsistent and at variance with the reasonable deductions or conclusions to be drawn from the documentary proof in the case, the result is that there can be little doubt that all of Winslow's interest and rights without reservation of any kind passed to the E. J. Winslow Company. It follows, therefore, that such rights passed to the trustee in the bankruptcy proceeding, and as the trustee sold under the order of the court all the property of the bankrupt, except the book accounts and bills receivable, to Oscar Reithel, who immediately transferred the same to Werner, Pronger and Zacharias, the subsequent assignments by the trustee and Reithel to the defendant company passed no title to the same. The complaint and the counterclaim are dismissed, without costs to either

party as against the other. Submit findings and decision in accordance with this opinion.

[That the title to the trade-mark or trade-name follows the sale of the business and good will, see, *Baglin v. Cusenier Co.*, Reporter, Vol. I, p. 147; *James Van Dyk Co., et al., v. F. V. Reilly Co., et al.*, Id. p. 317; *Ludwig & Co. v. Claviola Co.*, Id. p. 26. And see, *Jaysee Corset Co., in Bankruptcy*, Id. p. 315.]

COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

CARMEL WINE COMPANY V. CALIFORNIA WINERY.

(174 O. G., 586.)

December 4, 1911.

1. CANCELLATION—CONFLICTING MARKS.

A mark the essential feature of which is stated to be "the representation of a vineyard, a herd of camels and two men bearing a grape" is deceptively similar to a mark consisting of the representation of two men bearing a bunch of grapes in the same manner as in the other mark.

No one has a right to incorporate the mark of another as an essential feature of his mark. Such a practice would lead to endless confusion and deprive the owner of a mark of the just protection which the law accords him.

2. CANCELLATION—PRIORITY OF USE.

On the evidence, *held* that appellee adopted and used its mark prior to the appellant and that as the marks are deceptively similar, a petition for the cancellation of the registration of appellant's mark was properly sustained.

Mr. Walter F. Rogers, for the appellant.

Mr. A. E. Wallace, for the appellee.

ROBB, J.—This is an appeal from a decision of the Commissioner of Patents sustaining the petition of the California Winery, appellee here, for the cancellation of appellant's trade-mark registration.

Two questions are presented in this appeal, whether the marks are so similar—

as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, (33 Stat. 724.)

and, if so, whether appellee is entitled to priority of adoption and use. Appellant's mark is a label containing certain pictorial representations, the essential feature of which, as stated in its application,

is the representation of a vineyard, a herd of camels, and two men bearing a grape.

These men are apparently garbed in the costume of Bible times, and this particular feature of the mark was undoubtedly inspired by the allusion in Numbers xiii, 23, to the cutting of a cluster of grapes and the bearing of it "between two upon a staff."

An examination of appellant's mark shows that the "two men bearing a grape" is its most striking feature. The figures of the men are considerably larger than the figures of the camels, and even the bunch of grapes carried by the men looks larger than any of the camels.

The mark claimed by appellee is a label containing a pictorial representation of two men with dress similar to that in appellant's mark, these men bearing a bunch of grapes between them as in appellant's mark.

We think it is apparent, without argument, that the two marks are deceptively similar within the meaning of the statute. It goes without saying that one has no right to incorporate the mark of another as an essential feature of his mark. Such a practice would lead to no end of confusion and deprive the owner of a mark of the just protection which the law accords him.

Appellant's mark was first used in this country in about 1898. We will here briefly review the evidence introduced by the appellee as to when it first adopted and used its mark. Fred J. Keisel, a man sixty-seven years of age, the organizer of the California Winery Company in the summer of 1895 and familiar with its affairs since that date, testified that upon the organization

of the company he visited an engraver in Sacramento, Cal., and there selected from among the designs shown him—

the picture, or design, of Joshua and Caleb carrying between them, suspended on a pole, a large bunch of grapes;

that this design was immediately used as the company's trade-mark and soon thereafter, at the suggestion of the witness, it was registered in Mida's Criterion, a liquor-trade-mark registry bureau. A certificate of this registration was issued by this bureau under date of September 16, 1895. The witness further testified that he had personal knowledge that this "Joshua and Caleb" mark had been in continuous use by appellee since its adoption.

Fred W. Keisel, a son of the previous witness and a banker by occupation, testified that he was the president of the appellee company; that he was first connected with the company in 1894, as manager; that he was sent there by his father, who then had an option to purchase the winery, which option was taken up early in July of 1895; that this "Joshua and Caleb" mark was immediately thereafter adopted, and has ever since constituted the company's mark. The witness gave the names and addresses of individuals and firms to whom his company had shipped goods under this mark from 1895 to the present time. He identified a circular bearing this mark and containing in writing "July 10th, 1895." This notation, he testified, was in his own handwriting and presumably made on the date it appears to have been made. The witness further testified that when the cement sidewalk in front of the premises occupied by the Winery Company was constructed in December, 1895, he procured a wood cut of his trade-mark about twelve inches square and impressed the mark in the sidewalk in two or three places, and that the impression has been there ever since. This last testimony was directly corroborated by the older Keisel and also by a Mr. Sheehan, who testified that at the time the impression was made in the sidewalk he lived within two or three blocks of the winery, frequently passed the premises, and observed this "Joshua and Caleb" mark, with the date 1895, stamped in the walk. There is considerable other

testimony tending to show prior adoption and use of this trade-mark by appellee, but we do not deem it necessary to review it further.

Notwithstanding the above briefly-outlined evidence in favor of appellee, in contradiction of which no testimony has been introduced, appellant contends that the mark first adopted and used by appellee was not the mark of the issue but a mark containing a pictorial representation of two men dressed as hunters and bearing a large bunch of grapes between them. This contention grows out of an exhibit introduced by appellee. This exhibit is a photograph which purports to have been taken in November of 1895 and shows employees of appellee seated upon and about several barrels of appellee's goods, upon the ends of which was stenciled a mark of two hunters bearing a large bunch of grapes between them. The evidence above outlined is of too convincing character to be overcome by this photograph. It may well be that the stenciling of these barrels was an experimental variation of the "Joshua and Caleb" mark.

We conclude, therefore, that the decision of the Commissioner was right and must be affirmed. The clerk will certify this opinion according to law.

THE SUMMIT CITY SOAP WORKS V. THE STANDARD
SOAP COMPANY.

(174 O. G., 587.)

December 4, 1911.

OPPOSITION—CONFLICTING MARKS.

A mark consisting of the representation of the head of a mammoth and the word "Mammoth" is not deceptively similar to a mark consisting of the representation of two elephants in the attitude of a mother washing her child, used in connection with the words "Rub-No-More-Soap."

Mr. Arthur Steuart and Mr. J. E. Cross, for the appellant.
Mr. W. G. Henderson, for the appellee.

VAN ORSDEL, J.—This is a trade-mark opposition. Appellee company sought to register a trade-mark to be used on toilet soap consisting of the word "Mammoth," associated with a picture of the head and shoulders of the prehistoric animal, the mammoth. Appellant company, in its notice of opposition, describes its mark as—

the picture of two elephants in the attitude of a mother washing her child. This was commonly used in connection with the inscription, "Rub-No-More-Soap."

The material allegations as to the identity of the marks are stated in the notice of opposition as follows:

7. That the alleged trade-mark to which the above-mentioned application relates has such a near resemblance to the opponent's trade-mark, as to be certain to be mistaken therefor by the public and cause the applicant's goods to be substituted as and for the opponent's goods to the damage of the opponent and the deception of the public.

8. That the picture is the most prominent feature of both marks and, in general appearance, the animals illustrated in the two pictures are substantially identical and both marks are appropriated to goods of the same descriptive properties. If the applicant is allowed to register or use the said alleged trade-mark, the trade and the public will be deceived and the opponent injured.

Appellee, the applicant, contends that its mark is not so similar to appellant's mark, though concededly used upon the same class of merchandise, as to be likely to create confusion in trade. Appellant's mark was registered February 6, 1900. The appellee took no testimony and established no date of adoption and use. The whole case turns, therefore, upon the similarity of the marks and the probability of their concurrent use creating confusion in trade.

The Examiner of Interferences sustained the opposition, and refused the registration of appellee's mark. This ruling was reversed by the Commissioner of Patents, from whose decision this appeal was taken.

The Commissioner turned the case upon the recent decision of this court in *Nestle & Anglo-Swiss Condensed Milk Co. v. Walter Baker & Co. Ltd.*, (37 App. D. C., 148.) In that case the marks were used on cocoa, chocolate, broma and cocoa prepa-

rations. The mark of the appellant consisted of the picture of a milkmaid in Swiss costume carrying a milk-pail in her right hand and another on her head, with the words "Milkmaid Brand;" while the mark of appellee consisted of the picture of a waitress in Puritan or Quaker costume carrying a tray supporting cups.

It was there held that the words "Milkmaid Brand," used in connection with the picture, was a distinguishing feature of the mark. Here the word "Mammoth" and the words "Rub-No-More-Soap," appearing as parts of the respective marks, may be held to be distinguishing features. Their tendency, we think, is not to attach to the products bearing these marks the trade-name, "Elephant Brand." The word "Mammoth" instantly attracts attention to the distinction plainly apparent between the pictures, which are the dominating features of the marks. The slight tendency there would be to confusion from the similarity of the pictures is removed by the suggestion on the label itself of the distinction which, in fact, plainly exists. The inclusion of the name of the animal illustrated on appellee's mark so distinguishes it from appellant's mark as to remove the probability of confusion.

This court has adopted a strict rule in refusing registration in all cases where the apparent similarity would probably lead to confusion in trade, holding that the field of selection for marks is so broad that no necessity exists for the invasion of one trader upon even the apparent rights of another, and that the broadest protection will be afforded the purchasing, consuming public by the courts. In this case, however, there is no such similarity as would impel us to hold that the mark sought to be registered by appellee, invades the right of appellant, or tends to create confusion in trade.

The decision of the Commissioner of Patents is affirmed, and the clerk is directed to certify these proceedings as by law required.

THE COMMISSIONER OF PATENTS

C. A. GAMBRILL MANUFACTURING CO. V. H. BECKER & CO.

(173 O. G., 863.)

October 4, 1911.

GEOGRAPHICAL TERM—ORANGE GROVE.

A trade-mark for wheat flour, consisting of the word "Orange Grove" and the representation of a twig having oranges thereon is a fanciful mark and not a geographical term.

Messrs. Taylor & Hulse and Messrs. Stuart & Stuart for

C. A. Gambrill Manufacturing Company.

Mr. Arthur von Briesen for H. Becker & Company.

MOORE, Commissioner.—This is an appeal by H. Becker & Company from a decision of the Examiner of Interferences awarding priority to C. A. Gambrill Manufacturing Company and adjudging that it is entitled to register the mark for which it has made application.

H. Becker & Company is a registrant, its mark consisting of the words "Orange Mills." The C. A. Gambrill Manufacturing Company seeks to register a mark consisting of the words "Orange Grove" and the representation of a twig having oranges thereon.

This mark was presented for registration under the ten-year clause of the Trade-Mark Act. The proof offered on behalf of H. Becker & Company merely established that it had used the mark "Orange Mills" during the ten-year period. The proof offered on behalf of the C. A. Gambrill Manufacturing Company established that it had used its mark since a time long prior to the beginning of that period.

It is contended on behalf of H. Becker & Company that the mark sought to be registered by the C. A. Gambrill Manufacturing Company is geographical and that the applicant did not have exclusive use of this mark during the ten-year period. The Examiner of Interferences held that the mark was a technical trade-mark and that therefore the allegation of ten years' exclusive use could be regarded as surplusage, and since so far as the testimony

shows the C. A. Gambrill Manufacturing Company was the first to adopt the mark it was entitled to register the same.

I am of the opinion that the mark sought to be registered by the C. A. Gambrill Manufacturing Company does not fall within the prohibition of the statute against the registration of marks which are merely geographical. There are many places, it is true, named "Orange," and it appears that there are one or two small places in the United States named "Orange Grove," one of which is a station on the Baltimore and Ohio Railroad near Baltimore, at which the mill of the applicant was at one time at least located; but taking the mark as a whole it is believed to be clearly a fanciful mark. This being the case, it is well settled that the mark is entitled to registration as a technical trade-mark, notwithstanding the fact that the declaration contains an allegation of exclusive use during the ten-year period. (*E. McIlhenny v. New Iberia Extract of Tabasco Pepper Co.*, 153 O. G., 547; 34 App. D. C., 430.)

As the testimony offered on behalf of the C. A. Gambrill Manufacturing Company establishes use long prior to any date established by the registrant, the former is entitled to register its mark.

The decision of the Examiner of Interferences is affirmed.

EX PARTE, SEABURY & JOHNSON.

(173 O. G., 865.)

November 21, 1911.

1. INFRINGING MARKS—TEST.

The true test of infringement between marks is, whether a purchaser, looking at an article offered to him would be led by the mark, to suppose that the product was one of a rival manufacturer with whose trade-mark he was familiar.

2. GOODS OF THE SAME DESCRIPTIVE PROPERTIES.

"Wood wool" used as a medicinal preparation, and "paper wool" used for bandages, are goods of the same descriptive properties.

Messrs. Calver & Calver for the applicant.

TENNANT, Assistant Commissioner.—This is an appeal from the action of the Examiner of Trade-Marks refusing to register a trade-mark described as follows:

This trade-mark consists of a circular seal with a serrated peripheral edge and red background. In the center of the seal is a red cross on a circular white ground or space, and surrounding said white ground or space are represented a series of overlapping medals outside of which is shown a wreath of leaves in green surrounded by scroll-like ornamental work in black.

Registration was refused on the mark registered to Hartman March 6, 1888, No. 15,256. This mark is described by the registrant as follows:

The trade-mark consists of the representation of a Greek cross printed in red on a white disk-shaped ground and two Esculapian staves crossed at the back of the same and projecting from the inner corners of the cross. Around the disk is a circular gold band, on which are arranged the words "Verband-Baumwolle. Paul Hartmann, Heidenheim, Württb.," the whole being surrounded by a plain circular border.

The applicant points out certain differences between the marks, and while such differences exist it is believed that, taken as a whole, the marks so nearly resemble each other that confusion would be likely to arise from their simultaneous use when applied to goods of the same descriptive properties. It is true that if the marks were put side by side their differences could be easily discovered; but this fact is not sufficient to determine that there is no such similarity as to be likely to cause confusion in trade. The true test is whether a purchaser looking at an article offered to him would naturally be led, from the mark impressed upon it, to suppose it to be a production of a rival manufacturer with whose mark he was familiar. (*A. Y. McDonald & Morris Mfg. Co. v. H. Mueller Mfg. Co.*, 183 Fed. Rep., 972; *McLean v. Fleming*, 96 U. S., 245; *Seixo v. Provezende*, L. R., 1 ch., App., 196.)

Appellant contends that its goods and the goods of the registrant are not of the same descriptive properties; but it is believed that the Examiner was clearly right in holding that "wood-wool" used as a medicinal preparation is goods of the same descriptive properties as "paper-wool" used for bandages, etc.

Appellant also points out that the testimony in the interfer-

ence of *Seabury & Johnson v. Johnson & Johnson* establishes a date of use by it prior to the alleged date of adoption by the registrant; but the testimony taken in this case would clearly not be binding upon the registrant, since he was no party to that proceeding, and this testimony would merely establish appellant's right to an interference with the registrant.

The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE, WARREN WEBSTER & COMPANY.

(174 O. G., 287.)

November 20, 1911.

DESCRIPTIVE TERM—"MODULATION" FOR STEAM-HEATING AND VENTILATING APPARATUS.

The word "Modulation" is descriptive as applied to steam-heating and ventilating apparatus, and hence not registrable as a trade-mark therefor.

Mr. Rudolph M. Hunter, for the applicants.

MOORE, Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to register the word "Modulation" as a trade-mark for steamheating and ventilating apparatus, on the ground that it is descriptive of a characteristic or quality thereof.

The Examiner cites the definition of the word "modulation" as found in the *Century Dictionary*—

a state or condition reached by a process of modulating, modifying, or varying,

and has also drawn attention to a patent owned by applicants for registration in which the following language is used:

The object of my invention is to provide a simple construction of valve especially adapted as a modulation-valve for use in steam-heating systems and more especially for controlling the supply of steam to the radiator thereof, whereby predetermined amounts of steam may be admitted to the radiator to suit the particular heating requirements thereof.

In my opinion the word "Modulation" is descriptive of the character of the goods in the same way that the expression "Get-Well" is descriptive of a medicine, as it has been held to be. (*In re Anti-Cori-Zine Company*, 151 O. G., 452; 34 App. D. C., 191.)

It is believed that the registration was properly refused.
The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE, SOCIÉTÉ ANONYME DES USINES REMY.

(174 O. G., 585.)

November 28, 1911.

REGISTRATION—APPLICATION—DECLARATION.

A statement that a mark has been in exclusive use for ten years next preceding the passage of the Trade-Mark Act is not sufficient to bring the case under the provisions of that act as amended, since the amendment requires that the use must have been exclusive for "ten years next preceding February 20, 1905.

Mr. Henri Van Oldenneel, for the applicant.

TENNANT, Assistant Commissioner.—This is a petition that the requirement of the Examiner that a new declaration be furnished be set aside and the declaration already filed be accepted.

This application is presented for registration under the ten-year proviso of section 5 of the act of February 20, 1905, and the declaration concludes as follows:

* * * That said mark has been in actual use as a trade-mark of the applicants and of applicants' predecessors in business from whom title was derived for ten years next preceding the passage of the act of February 20, 1905, and that, to the best of deponent's knowledge and belief, such use has been exclusive.

The Examiner in his first letter criticized the declaration as follows:

The words "the passage of the act of" should not have appeared therein. (See Trade-Mark Law Amendment, 163 O. G., 733.)

It is pointed out in response by counsel for the applicant that the Rules of Practice which were issued prior to the date of the passage of the amendment to the Trade-Mark Law which was

approved February 18, 1911, and also the copies which were furnished to him afterward contained in Form 8 of the Appendix a declaration in the precise terms used by the applicant. It is urged that in view of these facts the requirement for a new declaration should be waived.

In the act of February 20, 1905, the ten-year proviso contained the requirement that the marks must have been in exclusive use as a trade-mark by the applicant or his predecessors "for ten years next preceding the passage of this act." This provision was construed in the case of Joseph P. Funke Company (124 O. G., 2902) to mean that the period covered by exclusive use to warrant registration must be the period of ten years next preceding April 1, 1905. In that decision it was stated that—

* * * The expression, "passage of the act," as usually construed when used to fix a date in a statute which goes into effect upon a different date from that upon which it is enacted or approved refers to the going into effect of the act and not to its approval.

By the amendment which was approved February 18, 1911, the terms of the statute were modified to provide that the period of exclusive use must be "ten years next preceding February 20, 1905." The provisions of section 5 of the act of February 20, 1905, as amended are conditions precedent to the issuance of a certificate of registration, and since such a grant follows the course of statutory procedure it is necessary that the applicant should follow the terms prescribed by statute. It is therefore held that the requirement of the Examiner that a new declaration should be filed is right.

It is unfortunate that in the present case the applicant has been misled by publications issued from this Office. It is to be noted, however, that it has been the practice of the Office ever since the passage of the amendment of February 18, 1911, to inclose in the copy of Trade-Mark Rules a printed copy of the Trade Mark Law. Notice of such amended law was also published in the OFFICIAL GAZETTE immediately after its approval. Under these circumstances it is not believed that the excuse given by the applicant is entitled to any special consideration, even if it could otherwise be accepted.

The petition is denied.

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No. 2

UNITED STATES CIRCUIT COURT OF APPEALS

THE THADDEUS DAVIDS COMPANY V. CORTLANDT I. DAVIDS, *et al.*

Second Circuit, January 8, 1912.

1. TEN-YEAR MARK—PROPER NAME.

The rights secured in a proper name, by the registration thereof as a trade-mark under the ten-year clause of the act, do not impair the right of another than the registrant to use his own name in his business.

2. TEN-YEAR MARK—PROPER NAME—INFRINGEMENT.

A mark registered under this clause, and consisting merely of a family name, is not infringed by the use thereof by another of the same name, though the manner and position of such use be similar to the use thereof by the registrant.

3. UNFAIR COMPETITION—JURISDICTION.

A federal court has no jurisdiction of a suit for unfair competition between citizens of the same state. Such a suit is cognizable only by the state courts.

On appeal from a decree of the United States Circuit Court for the Southern District of New York, in favor of the complainant.

For opinion below, see Reporter, Vol. I, p. 215; on demurrer, 165 Fed. Rep., 792; 178 *Id.*, 801.

Emerson R. Newell, for appellants.

W. P. Preble, for appellee.

Before COXE, WARD and NOYES, Circuit Judges.

COXE, J.—We have held that the surname “Davids” was a valid trade-mark under the ten-year clause of the Act of 1905. *Davids v. Davids*, 178 Fed., 801. The question now to be considered is: Do the defendants infringe? We see no reason why the defendant, Cortlandt I. Davids, who is a lineal descendant of the original Davids, who established the complainant's business, may not engage in the manufacture and sale of ink and use his own name in the business. He has the same right to use his own name as if it were Jones or Smith. *Howe Scale Co. v. Wycoff*, 198 U. S., 118. Indeed, this right is expressly conceded by the bill. The contention of the complainant is that though the defendant may use his name, Cortlandt I. Davids on the label he has no right to use it at the top of his label, which in all other important respects, is dissimilar to the complainant's labels. It must be remembered, however, that we are not dealing with a case of unfair competition, but with the case of a registered trade-mark pure and simple, the trade-mark consisting of the single word “Davids.” The use of this word is not limited to any particular position on the label and it is impossible to conceive that its position at the top of the label will be an infringement and its use at the bottom, or in the middle of the label, will not infringe. It follows, therefore, that the conceded right of the defendant to use his name can not be unlawful if used at the top of his label. If he has a right to use his own name in business he has a right to use it anywhere. He has a right to place it where the proof shows it is generally placed by the manufacturers of ink, namely at the top of his label. The location of the trade-mark is not an element, especially where no mention of the location is made in the statement or declaration. The “statement” says upon this point that:

“It is customary to print the mark upon the labels which are attached to the receptacles containing the goods.”

The use by the defendants of the words “Davids Manufacturing Company” at the bottom of their label is not, in our judgment, an infringement of the registered trade-mark. The complainant

has, we think, confused his right of action which is for infringement of its trade-mark with an action for unfair competition. We have no jurisdiction of the latter action as the parties are all citizens of the State of New York. If the complainant is satisfied that it can maintain an action for unfair competition, it should present it to the courts of New York which alone have jurisdiction.

The decree is reversed with costs.

* * *

NOYES, Circuit Judge (Dissenting).—We have held that the complainant has a valid registered trade-mark in the name "Davids." This requires us to hold, as it seems, to me, that the prominent use of the same name in the same business by the defendant should be enjoined. If the decision of the majority be well founded, we meant little in saying in our original opinion in this case that if a mark "is entitled to registration it is entitled to protection." It must now be accepted that while surnames may become valid registered trade-marks, they are infringed by the use of the very name and nothing besides; there is no latitude in protecting them.

[In commenting on the decision of the Circuit Court (Reporter, Vol. I, p. 219), we said that that decision furnished the first definite and satisfactory construction of the ten-year clause. With the reversal of that decision, the confusion attending the construction of this clause seems to be at its worst. What may now be the meaning of that clause, or its practical application, it would require some hardihood to even conjecture, in the light of this last pronouncement. A valid trade-mark that appears not to be infringed by another's use of the same mark is a puzzling anomaly in the law. An application for a writ of certiorari in this case has been made to the United States Supreme Court.]

G. HEILEMAN BREWING CO. V. INDEPENDENT BREWING CO.

(191 Fed. Rep., 489.)

Ninth Circuit, November 6, 1911.

I. INFRINGEMENT—UNFAIR COMPETITION—JOINDER OF ACTIONS.

A cause of action for unfair competition is properly joined in equity with one for trade-mark infringement.

2. INFRINGEMENT—DEFENSE—COMPLAINANT'S FRAUD.

The false use of a notice of copyright upon the label of complainant is no defense to a suit for trade-mark infringement and unfair competition. It is a misrepresentation in no way touching the goods and can mislead no one to his injury.

3. LAW OF 1905—NOTICE OF REGISTRATION.

The failure to apply to his label the notice of registration provided by the statute does not defeat the complainant's cause of action, if he prove actual notice of registration to the infringer.

4. INFRINGEMENT—CONFLICTING MARKS.

The question of infringement is to be determined by the likelihood of the consumer being deceived. The simulation of the most prominent and distinctive features of the complainant's label sufficing to work that result, a case of infringement is established.

Appeal from a decision of the Circuit Court of the United States for the Western District of Washington, Northern Division, sustaining a demurrer to the bill of complaint.

G. Ward Kemp, E. T. Fenwick and L. L. Morrill, for Appellant.

R. S. Jones, for appellee.

Before GILBERT and ROSS, Circuit Judges, and WOLVERTON, District Judge.

WOLVERTON, District Judge.—This cause comes here on demurrer to the bill of complaint; the demurrer having been sustained and the bill dismissed.

The complaint sets forth, in effect, omitting the formal parts, that complainant has for more than eight years preceding the commencement of the suit manufactured at La Crosse, in the state of Wisconsin, a certain high quality of beer which it has marked and designated by the use of a label, which said label has been employed for the purpose of identifying the true and genuine product of the complainant and the quality of the goods bearing such mark. A copy of the label is annexed to the complaint and marked "Exhibit A."

It is further alleged, upon information and belief, that, prior to the adoption of the label and mark by complainant, it had not been used by others to designate the same or a similar kind of goods; that the same was original with complainant, and does now and always has designated the true and genuine manufacture of complainant, except for the use thereof by defendant in manner

as alleged; that upon application and compliance with the statutes, rules, and regulations pertaining to the registration of trademarks, complainant obtained from the United States Patent Office a certificate of registration of its said label, bearing date June 25, 1907, and numbered 63,492, a certified copy being annexed to the complaint.

The mark of complainant used for designating beer is described as consisting "essentially of a conventional or typical Dutch or German scene with an inn and table surrounded by drinkers and with a subterranean or underlying passage, recess, or room showing vats, barrels, or other receptacles such as are ordinarily employed for storing beer, together with a scene of a cooper or coopers making or working upon the building of a barrel or butt," which, it is alleged, was original with complainant, and has been used exclusively by complainant for designating the beer of its manufacture for the period designated, namely, since about January 1, 1902, except its wrongful use by defendant, which use has been by continuously and uninterruptedly applying the same directly to bottles or other receptacles containing beer of complainant's manufacture, and which said beer has been shipped, transported, and sold in interstate commerce between the state of Wisconsin and many other states of the United States.

The complainant further shows that it has expended large sums of money and a great amount of labor in perfecting, advertising, and exploiting its said beer, to the end that the quality of said beer shall and has become known to the public; that the public, by reason of such excellence of quality and by such exploiting has come to know the beer, the manufacture of complainant, as and for a high grade and quality of beer, and to know that said beer is designated by the mark and label attached to the complaint, and the same is purchased and designated by the purchasing public by the mark and label aforesaid; that complainant is now and always has been since about the said 1st day of January, 1902, the sole and exclusive owner of the said mark and label, and is now entitled to the sole and exclusive use of the same in the designation of its product.

It is then further shown that "with full knowledge in the

premises and of the reputation of your orator's beer and of the demand existing for the same and in the use and meaning of your orator's said mark and label consisting of the Dutch or German drinking scene with the subterranean room or passage containing barrels or butts as indicating and identifying the quality, origin, and genuineness of your orator's beer, the defendant, the Independent Brewing Company, of Seattle, in the county of King and state of Washington, the corporation as aforesaid, meaning and intending to divert and secure to itself such portions of the good will of your orator's business in manufacturing and selling beer and to destroy for its own profits by unlawful means the reputation of and demand for your orator's beer wholly without your orator's consent and against its repeated protests, has manufactured and sold beer of a quality different from and inferior to your orator's beer in this district and elsewhere, and has used upon such beer in connection with the sale of the same your orator's trade-mark in so nearly the exact form and configuration as employed by your orator as to deceive purchasers into believing that the beer, the manufacture of the defendant, was and is the beer manufactured by your orator, and to confuse and defraud the public into purchasing the defendant's beer believing it to be the beer of your orator." A copy of the mark and label employed and used by the defendant is also attached to and made a part of the complaint, being marked "Exhibit C."

The complaint further shows that the defendant employs the said label exemplified by Exhibit C in the same manner as complainant employs the label exemplified by Exhibit A upon the pure and genuine manufacture of complainant, by attaching the said label directly to the bottles containing the beer and manufacture of defendant. "That the bottles to which said labels of your orator as exemplified by Exhibit A and the infringing label and mark as exemplified by Exhibit C are attached, are cylindrical in form and of such proportion that the labels exemplified by Exhibits A and C, when so attached to bottles as aforesaid, are not visible in their entirety, but only in sections, and that certain sections of the label exemplified by Exhibit C more nearly resemble correspond-

ing sections of your orator's label exemplified by Exhibit A than as is the case with other sections." That the defendant (this on information and belief) "has sold beer not manufactured by or for your orator bearing the said fraudulent trade-mark and label among the several states of the United States, and has without your orator's consent reproduced, counterfeited, copied, and plainly obviously imitated your orator's said trade-mark and label to your orator's great loss and injury." "That the defendant continues to unlawfully interfere with and divert your orator's business and the profits therefrom to its own use and behoof, and that the public has been and continues to be misled, and that the beer, the manufacture of the defendant, has been and continues to be sold as and for the true and genuine beer of your orator's manufacture for many years known and in demand as hereinbefore set forth, and that the use by the defendant of the said infringing mark of your orator and of his peculiar configuration displayed thereon has the effect of enabling and promoting the impairment of the reputation of and the demand for your orator's beer, and the fraudulent and unlawful sale and substitution of the defendant's beer as and for the beer of your orator's manufacture to your orator's great loss and injury and to the great loss and injury of the public." This is followed by appropriate allegations respecting the value of the good will of complainant's business and the value of its right to the exclusive use of said trade-mark, and the amount of injury it sustains annually by reason of defendant's infringement of its said trade-mark, together with a prayer for an accounting and injunctive relief.

The demurrer assigns as reasons therefor the following:

"(1) That said bill does not state facts sufficient to constitute a cause of action in favor of the complainant.

"(2) That there appears no equity in the bill.

"(3) That it appeareth by complainant's showing in said bill that it is not entitled to the relief prayed for, nor to any other form of relief, against the defendant.

"(4) That it appeareth by said bill that complainant's claim of right to relief is based upon the fraud of complainant itself, and other fraud, and such bill should be dismissed."

The appellee insists at the outset that the bill of complaint states a cause of suit for the infringement of a trade-mark only, and not at all for unfair competition in trade. In this we think counsel is in error. A suit for unfair competition may be maintained where there is no lawful trade-mark involved, which consists essentially in palming the goods of one manufacturer or vendor off for the goods of another. This is a fraud not only upon the manufacturer whose goods are assimilated and replaced in the market, but upon the general public as well, which does not get what it supposes it is bargaining for. For the fraud thus perpetrated, the individual or the manufacturer, as the case may be, has his or its cause of suit to prevent the recurrence of the imposition, and for such damages as may have been sustained on account of it. *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U. S., 537, 11 Sup. Ct., 396, 34 L. Ed., 997; *Elgin Nat. Watch Co. v. Illinois Watch Co.*, 179 U. S., 665, 21 Sup. Ct., 270, 45 L. Ed., 365; *Draper v. Skerrett* (C. C.), 116 Fed., 206. A fortiori a suit may be maintained for unfair competition when the infringement of a trade-mark is resorted to as a means of accomplishing the purpose. As is said in the books, "Trade-mark infringement is but one form of unfair competition." *Hopkins on Trade-Marks*, 44. In such a case it is altogether appropriate that the party claiming to be injured should conjoin allegations of infringement with averments of unfair competition. Indeed, he could not well state his case otherwise. There can be no objection, therefore, to joining the two causes of suit in one complaint, and it is true also that he might succeed in one cause alone and fail in the other. By fair intendment the complaint in the present cause combines both elements of fraud, infringement, and unfair competition in trade. This appears sufficiently by such allegations as "that said beer is purchased and designated by the purchasing public by the said mark and label appearing upon said beer," and that the defendant "has used upon such (the defendant's) beer in connection with the sale of the same your orator's trade-mark in so nearly the exact form and configuration as employed by your orator as to deceive purchasers into believing that the beer, the manufacture of the defendant, was and is the beer manufactured

by your orator, and to confuse and defraud the public into purchasing the defendant's beer believing it to be the beer of your orator," and further:

"That the defendant continues to unlawfully interfere with and divert your orator's business and the profits therefrom to its own use and behoof, and that the public has been and continues to be misled, and that the beer the manufacture of defendant has been and continues to be sold as and for the true and genuine beer of your orator's manufacture for many years known and in demand as hereinbefore set forth, and that the use by defendant of the said infringing mark of your orator and of his peculiar configuration thereon has the effect of enabling and promoting the impairment of the reputation of and the demand, for your orator's beer, and the fraudulent and unlawful sale and substitution of the defendant's beer as and for the beer of your orator's manufacture, to your orator's great loss and injury and to the great loss and injury of the public."

It is next insisted that the complaint shows on its face that the plaintiff has been continuously perpetrating a fraud upon the public by holding out that its label has been copyrighted. The copy of the complainant's label attached to the complaint contains the words printed upon its face at the lower right-hand corner thereof in small type, "Copyright 1902 G. Heileman Brewing Co." Nothing is contained in the complaint respecting the copyright, nor is anything claimed because of the fact that the label was in reality copyrighted. It is quite true that the trade-mark relied upon, and which is claimed to be infringed, if it contains misrepresentations misleading to the public, can not be made the basis of relief in equity. Thus, when it is the object of the trade-mark to indicate the origin of manufactured goods, and a person affixes to goods of his own manufacture a trade-mark which represents that they are the manufacture of some other person, the representation operates as a fraud upon the public which equity will not countenance. *Manhattan Medicine Co. v. Wood*, 108 U. S., 218, 2 Sup. Ct., 436, 27 L. Ed., 706. To the same effect is *Connell v. Reed*, 128 Mass., 477, 35 Am. Rep., 397. The principle, however, has no application to counsel's contention, for if it may be said that the words "Copyright 1902 G. Heileman Brewing Co." misrepresent the fact, and there is nothing to show that they do, no one, neither the public nor any individual, could be misled to its or his injury thereby. They in no way

contain any representation touching the goods which the label is designed to designate.

It is next urged that no suit can be maintained because the registered label or trade-mark does not have affixed thereto the words "Registered in the United States Patent Office," or the abbreviation "Reg. U. S. Pat. Off.," as required by statute. Section 28 of the Act of Congress of February 20, 1905, c. 592, 33 Stat. 730 (U. S. Comp. St. Supp. 1909, p. 1286). This statute imposes the duty upon the registrant to give notice to the public of registration by affixing upon the registered trade-mark the words or abbreviation above denoted, and it provides that no damages shall be recovered in any suit for infringement by a party failing to give such notice as provided, except on proof that the defendant was duly notified of infringement and continued the same after such notice. The averments of the complaint are ample to let in proof under the exception, and this disposes of the contention without further interpretation of the statute.

In the same relation it is further urged that :

"The claim to a trade-mark of a label is void if the label is published before it is registered as a trade-mark"—citing Bump on Patents and Trade-Marks (2d Ed.) p. 502, and notes.

This authority is not at present accessible; but, whatever may be its text, in this country a trade-mark is acquired by use, and the use must antedate registration. Without it registration can not be had. By section 1 of the act of February 20, 1905, *supra*, the owner of a trade-mark domiciled in this country is entitled to have the same registered, and by section 2, in order to procure registration, he must show that such trade-mark is used in commerce among the several states or with foreign countries. So the registration comes only after acquirement of the right to a trade-mark by use. See, also, *Hopkins on Trade-Marks*, §§ 25-27. The complaint shows user prior to registration. If that be publication, complainant did only what the statute required of it. The objection is untenable.

The last and cardinal contention is that the label used by the defendant is not an infringement upon complainant's trade-mark.

A simple inspection of the two labels, as shown by Exhibits A and C attached to the complaint, convinces one that the defendant's label was suggested by that of complainant, which latter consists essentially, as is alleged in the complaint, of a conventional or typical Dutch or German scene, and the situation is really resolved into the question whether the defendant has so differentiated its label in the manner of its design and detail of execution as to avoid infringement of complainant's label. There is a manifest effort at artful simulation to be attended with barely sufficient differentiation to escape infringement. Has the defendant succeeded, and does the complaint so show upon its face?

Some reference to the authorities will aid us in the solution. *McLean v. Fleming*, 96 U. S., 245, 24 L. Ed., 828, is a leading case upon the subject. The court there says:

"Much must depend, in every case, upon the appearance and special characteristics of the entire device; but it is safe to declare, as a general rule, that exact similitude is not required to constitute an infringement or to entitle the complaining party to protection. If the form, mark, contents, words, or the special arrangement of the same, or the general appearance of the alleged infringer's device, is such as would be likely to mislead one in the ordinary course of purchasing the goods, and induce him to suppose that he was purchasing the genuine article, then the similitude is such as entitles the injured party to equitable protection, if he takes seasonable measures to assert his rights, and to prevent their continued invasion. * * *

"Colorable imitation, which requires careful inspection to distinguish the spurious trade-mark from the genuine, is sufficient to maintain the issue; but a court of equity will not interfere, when ordinary attention by the purchaser of the article would enable him at once to discriminate the one from the other. Where the similarity is sufficient to convey a false impression to the public mind, and is of a character to mislead and deceive the ordinary purchaser in the exercise of ordinary care and caution in such matters, it is sufficient to give the injured party a right to redress, if he has been guilty of no laches. * * *

"Two trade-marks are substantially the same in legal contemplation, if the resemblance is such as to deceive an ordinary purchaser giving such attention to the same as such a purchaser usually gives, and to cause him to purchase the one supposing it to be the other."

The lower federal courts have uniformly announced the principle in numerous cases. In *Enoch Morgan's Sons Company v. Hunkele*, Fed. Cas., No. 4,493 it is said:

"It is not a question whether the defendant has in all respects imitated the trade-mark of the complainant, but whether he has so imitated it that the purchaser has been imposed upon."

So in *Shaw Stocking Co. v. Mack* (C. C.), 12 Fed., 707, the court affirms:

"It is not necessary that the resemblance produced should be such as would mislead an expert, nor such as would not be easily detected if the original and the spurious were seen together. It is enough that such similitude exists as would lead an ordinary purchaser to suppose that he was buying the genuine article and not an imitation."

And again, in *Cantrell & Cockrane v. Butler*, (C. C.), 124 Fed., 290, the court says:

"Conformity of one label to another sufficiently to attract and deceive is not excused by ability to analyze the offending label and point out differences, which if known and recognized would avoid confusion. The ensemble does the mischief; the usual purchaser neither abstracts nor analyzes for the purpose of differentiation and judgment."

To the same purpose is *Eagle White Lead Co. v. Pflugh* (C. C.), 180 Fed., 579, where the court says:

"The question of infringement is to be determined by the test of dominancy. The dissimilarity in size, form, and color of the label and the place where applied are not conclusive. If the competing label contains the trade-mark of another, and confusion or deception is likely to result, infringement takes place, regardless of the fact that the accessories are dissimilar. Duplication or exact imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate."

In *Kostering v. Seattle Brewing Co.*, 116 Fed., 620, 621, 54 C. C. A., 76, 77, this court said:

"It is argued, and it is true, that the differences are apparent to any one who will read and examine the labels; but that argument does not meet the question which the case presents: Are the resemblances between the two labels such that the consumer is likely to be misled?"

And again, in *Keuffel & Esser Co. v. H. S. Crocker Co.* (C. C.), 118 Fed., 187, 189:

"While the words alone, if considered apart from the label as a whole, might not be deemed to present so close a resemblance as to constitute infringement, when connected with the associated lettering and general design, and forming a part of a label almost identical in size, shape, coloring, and lettering with that of the complainant applied to similar goods, it is very clear that the mind of the purchaser would readily

be deceived by the similarity and be quite as easily induced to purchase the goods of one as the other."

And in stating the law applicable, the court further said:

"It requires the defendant, in offering his goods to the public, to use such method of wrapping, labeling, and cataloguing of his packages as not to lead an intending purchaser, of ordinary intelligence, using ordinary care, into the mistaken belief that he is purchasing goods placed upon the market by the complainant, when in fact he is purchasing the defendant's goods."

A comparison of the alleged infringing label with complainant's label will show striking features of distinct similarity among others less conspicuous that bear less or no resemblance. Both labels were undeniably designed to represent a typical Dutch or German scene. Each contains in representation an inn with people drinking at a table outside. The inn occupies the upper center of the defendants label, back of which appears the brewery of the manufacturer, while in complainant's it occupies the upper right-hand side. Immediately beneath the representation of the inn in each label is a subterranean or underlying recess or room containing three barrels or casks; there being printed in German type on the heads of these, as shown by complainant's label, "Old Style Lager," and on the defendant's, "Old German Lager." On the complainant's label two persons, one with receptacle in hand, are passing by, while at the right are two workmen coopering a barrel, and at the left three monks at table drinking. On the defendant's label are represented four monks seated at a table in front of the casks or barrels in the subterranean way, and at the left in the lower left-hand corner are two artisans coopering a barrel. On the complainant's label is represented a boiling kettle in another underlying passage, with two brewers attending it. This appears a little below the center of the scene, and another kettle is seen to the left hanging on a support over a fire, apparently unattended. Below this latter is represented a Bacchanalian scene. On the left margin of defendant's label is represented a kettle over a fire, not hanging, with persons about it apparently filling the kettle with ingredients, while above in the upper left-hand corner are two men at a tank stirring the brew.

The Baccahnalian scene is not represented on this label. On the complainant's label may be seen also a man on horseback, he drinking from a mug and the horse from a watering trough in which is flowing water gushing from the rocks; this at the right of the scene; and in the center is found an ox cart to which are yoked a pair of oxen, while within the cart is a man drinking from a mug, and a man by the side of the cart waiting upon him. On defendant's label are represented at the lower right-hand corner a husbandman pitching hay or provender of some kind; above that, near the right center, a man plowing with a yoke of oxen; and still above, in the upper right-hand corner, women apparently gathering hops in a hop field. The complainant's label shows a sign hanging from a scroll attached to the cornice of the inn, with the words "Old Style Lager" printed thereon in German type, and the defendant's sign hanging above the inn from a scroll attached to a standard with the words "Old German Lager" printed thereon in German type. Across the left margin of the complainant's label are printed the words "Brewed and Bottled by G. Heileman Brewing Co., La Crosse, Wis.," and some German script is found at the top, to the left of the center. On the defendant's label in the center at the bottom is written "Brewed and Bottled by the Independent Brewing Co.," the name of the firm appearing in German type, and below that: "Seattle, Wash. Guaranteed by the International Brewing Co. under the Food and Drug Act, June 30, 1906"—all in English type. There are other minor features pertaining to the labels, but not of peculiar moment. The complainant's label shows green in its general tone, with drab and light orange shading for the buildings, stone walls, and scenery about. The defendant's label, the same as attached to the complaint, appears in its general tone a light olive green shaded to a light orange; the shading bearing some resemblance to that of the complainant's.

Now, to one scanning the detailed description of these two Dutch scenes, or laying the pictures side by side, there could be no trouble in distinguishing the one from the other. But this is not the test. Will confusion result to the purchasing public by the use of the two not brought into direct or special comparison?

Would the ordinary customer applying at the counter for "Old Style Lager," observing the care customary with purchasers in that way, be likely to be deceived or misled into buying "Old German Lager," if it was offered him marked with defendant's label? We are impressed that he would.

A simulation of the most prominent and distinctive features of the complainant's label is found in the defendant's label. The inn is there, with the legend in slightly different wording suspended from a scroll; the representation of men drinking at a table outside of the inn is there; the barrels or casks in the subway are there; the monks drinking at a table at or near the casks are there; and the coopering of a barrel is there. In short, the "ensemble" is there, and that, says the court in *Cantrell & Cockrane v. Butler*, *supra*, does the mischief. And quoting again:

"The usual purchaser neither abstracts nor analyzes for the purpose of differentiation and judgment."

The complaint, fairly construed, we think, shows infringement upon the face of it. What the evidence may show at the trial is quite a different thing.

The judgment of the Circuit Court will therefore be reversed, and the cause remanded, with direction to overrule the demurrer.

[Section 28 of the trade-mark act of 1905 provides as the only penalty for failure to give notice of registration in the manner specified in the statute, the inability to recover damages in a suit for infringement, except under certain conditions. The court seems to have lost sight of the fact that the absence of such a notice is no bar to injunctive relief in equity.]

UNITED STATES CIRCUIT COURT

STRAUSE V. WEIL, *et al.*

(191 Fed. Rep., 527.)

Southern District of New York, October 24, 1911

UNFAIR COMPETITION—IMITATION OF ARTICLE.

The identical reproduction, except as to the name of the maker,

of the appearance and get-up of an unpatented article, going beyond what is necessary to produce an article fitted to perform the same functions, is unfair competition and will be enjoined.

In Equity. On rehearing of motion for preliminary injunction.

Briesen & Knauth, for complainant.

Robert B. Kilgore, for defendants.

LACOMBE, Circuit Judge.—In denying this motion when first made, I was under the impression that, subsequent to the decision of appeal from preliminary injunction in *Rushmore v. Manhattan Screw Works*, 163 Fed., 939, 90 C. C. A., 299, 19 L. R. A. (N. S.) 269, the same case had been brought up on review from final hearing and injunction refused. It seems that in this I was in error, and that this court is not constrained by rulings of the Court of Appeals from granting an injunction against copying the details of structure of a nonpatented article, if the court is satisfied that the imitation has gone beyond such resemblance as would be brought about by producing an article fitted to perform the functions of the one copied. It seems to me that in the case at bar there has been such unnecessary imitation, in general get-up, in style of lettering, in location and size of holes, etc., and I am not satisfied that the mere use of defendants' designation in the lettering sufficiently differentiates the two articles.

Injunction will be granted against the sale of irons which, like those already sold, are, except for the name, identical reproductions of complainant's irons. The injunction, however, will be suspended for thirty days from entry of the order, and if by that time defendant shall have appealed, and perfected his record of appeal, so that the cause may be moved on the calendar of the Court of Appeals and preference claimed, this order will operate further to stay operation of the injunction until decision of that tribunal.

T. B. WOOD'S SONS CO. V. VALLEY IRON WORKS

(191 Fed. Rep., 196.)

Middle District of Pennsylvania, October 19, 1911

UNFAIR COMPETITION—IMITATION OF ARTICLE.

Where the resemblance between the defendants' article and that of the complainant is not shown to have deceived anyone, nor to have been prompted by an intent to defraud, there is no cause of action for unfair competition.

In Equity. On final hearing.

Prindle & Wright, for complainant.

Brock, Becken & Smith, for defendant.

WITMER, District Judge [after discussing the issue of patent infringement].—Another feature of this case is that of unfair competition. The bill alleges that complainant's hanger has a distinctive appearance by which the trade have learned to know the product of the complainant, which it charges the defendant with simulating. This may all be true, but it does not appear that any one was deceived thereby, or that the complainant has been inconvenienced or made to suffer by reason thereof. Nor has it been shown that the defendant attempted thereby to palm off his goods with intent to defraud. This could and should have been proven, if such was the case. It furthermore appears that, before complainant placed his hanger upon the market, others have been manufacturing hangers of similar appearance, distinguished only, as in case of defendant's, by their distinctive trade-names. Both the defendant's and complainant's hangers have such distinctive names, and if the complainant desires to further impress his personality upon his product he will find a way to do so.

The language used by the court in the case of *Dunlap v. Wilbrandt Surgical Company*, 151 Fed., 223, 80 C. C. A., 575, is very apropos, and expresses the conclusion of the court:

"We fail to discover in the record any evidence of fraudulent intent on the part of defendants to palm off their goods on the public as the

goods of the complainant. * * * The general resemblance was not such as to deceive the class of persons who would naturally be expected to be interested in or purchase articles of this character. Moreover, those of the complainant were permanently marked as issuing from 'The Globe Mfg. Co., Battle Creek, Michigan, U. S. A.,' while those of the defendants were as indelibly marked 'O. Q. Holman, La Grange, Ill.' The name 'Globe' appeared upon the former and the name 'Eureka' upon the latter. Thus far the defendants did not offend. * * * The literature used by the defendant's advertising was equally distinguishable from that of the complainant; in fact, so much so as to relieve them from the slightest imputation of unfair dealing in that particular."

The other and further relief sought by the bill [in this particular] is denied.

UNITED STATES DISTRICT COURT

THE WOLF BROTHERS & COMPANY V. HAMILTON, BROWN SHOE
COMPANY.

Eastern District of Missouri, Eastern Division, January 17, 1912.

1. UNFAIR COMPETITION—DEFINITION.

Unfair competition consists in the sale of goods, as and for the goods of another. When an article is so marked as to indicate clearly the maker and to distinguish it from the product of his competitor, there is no unfair competition.

2. UNFAIR COMPETITION—ACCOUNTING.

When, upon an accounting to ascertain the damages and profits to be paid by the defendant, it appears that the defendant has sufficiently distinguished its goods from those of the complainant, only nominal damages are recoverable.

3. ACCOUNTING—COSTS.

When, on an accounting, only nominal damages are recovered, and prior to the beginning of the accounting the defendant tendered to the complainant the sum for which judgment was directed, the costs of the proceeding must be taxed against the complainant.

Upon the hearing of defendants' exceptions to the report of a master on accounting.

James L. Hopkins and Simeon N. Johnson, for complainant.
Paul Bakewell and Luke E. Hart (H. S. Priest of counsel), for defendant.

DYER, District Judge.—On the 29th day of January, 1906, complainant filed its bill of complaint against the defendant in the Circuit Court of this district.

The suit was for an alleged infringement of complainant's alleged trade-mark, the "American Girl," by the use of the name "American Lady" by the defendant, and for alleged unfair trade.

The prayer was for an injunction and an accounting. The Circuit Court denied the prayer and dismissed the bill.

From this decision the complainant prosecuted an appeal to the Circuit Court of Appeals for the Eighth Circuit. The opinion of that court is reported in 165 Federal, at pages 413 to 418. On pages 414 and 415 the court said:

"This action was brought by complainant in which it charges the defendant with infringing its trade-mark 'The American Girl' by the use of the name 'The American Lady,' and the portrait of a young woman. It further charges the defendant with infringing the catch phrase, 'A shoe as good as its name,' by using the catch phrase 'With the character of the woman.' It also charges the defendant with infringement by adopting its numeral numbers before mentioned for similar styles of shoes. It also charges defendant with unfair trade. Proofs were taken, and upon the hearing the Circuit Court dismissed complainant's bill, and the case is brought here on appeal.

"The first question for consideration is whether the term 'The American Girl' constitutes a valid trade-mark. We think it settled doctrine that geographical names can not be appropriated to the exclusive use of one as a trade-name. *Columbia Mills v. Alcorn*, 150 U. S., 460, 14 Sup. Ct., 151, 37 L. Ed., 1144; *Delaware & H. Canal Co. v. Clark*, 13 Wall., 311, 20 L. Ed., 581; *Genesee Salt Co. v. Burnap*, 73 Fed., 818, 20 C. C. A., 27; *Ill. Watch Co. v. Elgin Nat. Watch Co.*, 94 Fed., 667, 35 C. C. A., 237; *Elgin Nat. Watch Co. v. Illinois Watch Co.*, 179 U. S., 665, 21 Sup. Ct., 270, 45 L. Ed., 365; *Allen B. Wrisley Co. v. Iowa Soap Co.*, 59 C. C. A., 54, 122 Fed., 796. We also think that the name as applied to women's shoes is descriptive merely, viz., shoes manufactured in America and to be worn by women, and not an arbitrary or fanciful name to indicate maker; hence the name 'The American Girl' applied to shoes, is not the subject of a valid trade-mark. Nor can numeral numbers, when used to indicate styles rather than origin and manufacture, be the subject of a valid trade-mark. *Shaw Stocking Co. v. Mack* (C. C.), 12 Fed., 707; *Dennison Mfg. Co. v. Thomas Mfg. Co.* (C. C.), 94 Fed., 651. In this case we think that the numerals used by the complainant were for the purpose of indicating and designating the different styles of shoes, rather than the maker."

This would seem to dispose of the claim of complainant to a valid trade-mark, in "The American Girl" and "numeral numbers."

After thus disposing adversely to complainant's claim to a valid trade-mark in either "The American Girl" and "numeral numbers" the court proceeds as follows:

"While it is true that a geographical name may not be exclusively appropriated as a trade-mark, yet a party having adopted a geographical name as a designation of its goods may be protected as against unfair trade. * * * In this case, while complainant is not entitled to relief upon the ground that the words 'The American Girl,' or the numerals applied to its several styles of shoes are valid trade-marks, yet it is entitled to protection from their use by defendant in a manner and under circumstances constituting unfair trade: the essence of the rule being that one person shall not, in the sale of his goods, so act as to lead the public to believe that they are the goods of another."

The court after stating very clearly the law of the case, discusses the evidence as it appeared in the record and drew conclusions unfavorable to the defendant.

"Legitimate competition in trade is not only the right of every person, but to be commended, when of public benefit. It is only when competition is deceptive that it is condemned by the law. While the term 'The American Girl,' as applied by complainant and its predecessors, was not subject to exclusive appropriation by them, it had, nevertheless, by their long-continued use of it, come to have a secondary meaning, indicative of the origin and manufacture of the shoes to which it was applied, and had come to be recognized in the trade as meaning that such shoes were those of the complainant and its predecessors. Whatever of good will and advantage resulted from this was the property of the complainant, and, while others were entitled to use the same or any similar term, because of its being common property, they could do so only on condition that they accompanied it with such distinguishing marks or matter as would plainly indicate that it was not being used with its secondary signification; that is, as pointing to the complainant as the manufacturer of the goods to which it was applied. *Howe Scale Co. v. Wyckoff*, 198 U. S., 118, 25 Sup. Ct., 609, 49 L. Ed., 972; *Donnell v. Herring-Hall-Marvin Safe Co.*, 208 U. S., 267, 28 Sup. Ct., 288, 52 L. Ed., 481.

"Complainant is not guilty of such laches as to deprive it of an injunction; but we think an accounting should be limited to the time since the commencement of this suit.

"Complainant is entitled to a decree enjoining the defendant from using the name 'The American Lady,' as applied to its shoes for women, when not accompanied with other matter clearly indicating that such shoes are of its own manufacture, and therefore not of complainant's, and from using, in connection with such name, as applied to its shoes for women, the numerals mentioned, or the catch phrase 'With the character of the woman,' or any other phrase in simulation of the phrase 'A shoe as good as its name,' and also to an accounting as before stated."

These lengthy quotations from the opinion are made for the purpose of showing that we are now considering questions of "unfair trade," and not that of infringement of a valid trade-

mark. This, therefore, being a question of unfair trade, we must look for the rule applicable thereto, with the view and for the purpose of determining whether in this particular case "unfair trade" exists.

When the mandate of the Court of Appeals was filed in this court, the following order was entered:

"The mandate of the United States Circuit Court of Appeals for the Eighth Circuit on the appeal of the plaintiff from the decree entered herein on February 3, 1908, and the opinion of said Court of Appeals, having been filed in this court, it is now, in pursuance of said mandate and opinion, ordered, adjudged and decreed as follows:

"1. Said decree entered herein on February 3, 1908, is set aside.

"2. The defendant, Hamilton, Brown Shoe Company, its servants, agents, officers and employees, are perpetually enjoined from using the name 'The American Lady,' as applied to its shoes for women, when not accompanied with other matter clearly indicating that such shoes are of its own manufacture, and therefore not of the manufacture of the plaintiff, The Wolf Brothers & Company, and from using in connection with such name, as applied to its shoes for women, the numerals 403, 404, 407, 408 or 397, or the catch phrase 'With the character of the woman,' or any other phrase in simulation of the phrase 'A shoe as good as its name.'

"3. The costs up to and including the entry of this decree are adjudged against the defendant, and execution therefor is awarded.

"This case is referred to H. H. Denison, Esq., as master, upon the evidence already taken in this case, and the exhibits in evidence in this case, and such further evidence as may be offered before the master by the parties to this action, to ascertain and report the damages, since the commencement of this suit, which the plaintiff has suffered, and the profits, since the commencement of this suit, for which the defendant may be liable, said accounting of damages and profits to be limited to shoes sold by

the defendant since the filing of the bill in this case, and which were marked with the name 'The American Lady,' and not accompanied with any other matter clearly indicating that such shoes were of the manufacture of the Hamilton, Brown Shoe Company."

The name of the master, Mr. Denison, was inserted by agreement of counsel and at their request.

At the threshold of the hearing by the master, application was made by the defendant to the court for an order confining the inquiry to certain limits. This application was denied, and in doing so the court made some remarks that have been in a manner construed as placing a wrong construction upon the language and meaning of the Court of Appeals in its decision of this case. However this may be, the purpose of the court in refusing the request was to open the door to the fullest investigation. If the court committed error in anything that was said or done by it, it is willing to correct that error, even if in doing so the correction makes it appear that the opinions then and now expressed seem contradictory.

After the court had refused to limit the inquiry, the hearing before the master continued without further hindrance, and after a lapse of nearly two years the master filed his report, together with the evidence taken before him.

To this report various exceptions have been taken by both the complainant and the defendant.

These exceptions have been presented by counsel in lengthy written and oral arguments, and in briefs that show great research.

These exceptions and the arguments in support of and against them have been considered by the court and must now be disposed of.

It appears from the evidence in the case that from the day of the filing of complainant's bill (January 29, 1906) to the day the hearing was concluded by the master (March 9, 1910) that the defendant made and sold two million, five hundred and twenty-nine thousand, four hundred and ninety-five (2,529,495) pairs of "American Lady" shoes.

For convenience, this vast number of shoes may be divided into three classes and designated as numbers 1, 2 and 3:

Number 1 embraces	593,872	pairs
Number 2 embraces	961,607	"
Number 3 embraces	974,016	"
<hr/>		
Total	2,529,495	"

The marks or brands appearing on these shoes are undisputed.

On No. 1, the words "Hamilton, Brown Shoe Company, Makers," and "American Lady" were stamped on the soles.

On No. 2, the words "Hamilton-Brown Shoe Company" and "American Lady" were stamped on the soles.

On No. 3, the words "American Lady" were stamped on the soles.

As to class No. 1, the master finds that the words "Hamilton, Brown Shoe Company, Makers," was "matter clearly indicating that such shoes are of its own manufacture, and therefore not of complainant's." He therefore took that class out of the accounting.

To this decision the complainant filed exceptions.

The master's finding in this particular is approved and the exceptions thereto are overruled.

As to class No. 2, the master finds that the words "Hamilton, Brown Shoe Company" are not "matter clearly indicating that such shoes are of its own manufacture, and therefore not of complainant's."

The master, after announcing that decision, recommends a judgment in favor of the complainant for the sum of one hundred and ninety thousand, nine hundred and nine and 83-100 dollars (\$190,909.83).

To the conclusion reached and the recommendation made by the master as to "Class 2," the court can not assent.

The exceptions of the defendant thereto are sustained.

This brings the court to a consideration of the third and last class.

Of this class the defendant company made and sold within the time of the accounting 974,016 pairs of shoes marked on the soles thereof with the words "American Lady."

The master finds that the words used on the soles of the shoes were not "other matter clearly indicating that such shoes are of its own manufacture, and therefore not of complainant's."

This is followed by a recommendation that judgment be entered in favor of the complainant and against the defendant for the sum of two hundred and fifty-four thousand, four hundred and one and 72-100 dollars (\$254,401.72).

On the 4th of June, 1910, the parties entered into a stipulation as follows:

"Every pair of shoes marked with the name "American Lady" manufactured and sold by Hamilton, Brown Shoe Company between January 29, 1906, and November 15, 1909, as said shoes were sold and shipped by said Hamilton, Brown Shoe Company, was sold and delivered to its customers in a carton, each of which cartons bore prominently on the lid thereof in white letters on a black background, at the head of said lid, the words 'Hamilton, Brown Shoe Co.'s,' and at the foot of said lid, in equally prominent letters, the name 'American Lady,' while at the front end of each of said cartons appeared the name 'American Lady,' and the belt trade-mark of the Hamilton, Brown Shoe Company, which belt trade-mark consisted of a black strap in the center of which was a red background, the words 'Hamilton, Brown Shoe Company' appearing in white letters on the black strap and the word 'Makers' appearing in white letters on the red background; said particular way of marking each of said cartons being exemplified by 'Defendant's Exhibit, American Lady Shoe Carton, January 31, 1910, Henry H. Denison, Master;'

"That attached hereto, and marked 'Exhibit A,' is a duplicate of the label and markings thereon appearing on the lid of each carton containing American Lady shoes sold by defendant since the filing of the bill in this case."

This stipulation was further supplemented by one of January 11, 1911.

In addition to this, it appears from the evidence in the case that the defendant spent thousands of dollars each year in advertising the "American Lady" shoe as of its own manufacture.

These advertisements were co-extensive with the trade itself. Each and every pair of shoes marked on the soles "American Lady" went to defendant's customers in a separate carton plainly marked on each carton "Hamilton, Brown Shoe Co., Makers."

It is safe to conclude from the proof in the case and the legitimate inferences to be drawn therefrom that, accompanying or preceding each shipment, was an advertisement quite as full of information as was contained on the carton itself.

Taking all of these facts into consideration, the court is of opinion that the shoes were accompanied with "matter clearly indicating that such shoes are of its [defendant's] own manufacture, and therefore not of complainant's." If the defendant had stationed at the door of each of its customers a man with strong lungs, proclaiming in stentorian voice that "these shoes are the make of the Hamilton, Brown Shoe Company of St. Louis," it is hard to perceive how the notice to buyers of shoes would have been more effective in that way than by the means adopted.

The exceptions of the defendant to the master's report in regard to this particular class of shoes is sustained.

There are, in addition to those heretofore assigned, other reasons why in the judgment of the court the master's report should not be approved.

The record in this case is absolutely barren of evidence tending to show that any individual purchased a pair of shoes marked "American Lady," believing at the time of the purchase he was getting the "American Girl."

There is no evidence in the record tending to prove that the defendant or any of its customers ever offered for sale any shoe marked "American Lady" as and for the "American Girl."

There is no evidence in the record tending to prove that a single pair of shoes marked "American Lady" was ever taken from the carton in which they were enclosed before sale.

There is no evidence in the record that the complainant's

output was curtailed in the least by the sale of the "American Lady," nor is there any evidence that complainant lost a single customer by reason of anything done by the defendant or any of its customers.

If the court correctly understood counsel for complainant, no claim to the contrary of these facts was made.

It was argued that no proof of this character was required, but that the complainant had the right to recover the profits on every pair of "American Lady" shoes sold by the defendant after the date of the filing of the bill, on the ground that the shoes themselves were not accompanied by such marks as indicated their origin.

It was contended that the defendant made it possible for its customers to offer for sale and sell defendant's manufacture as and for the manufacture of complainant. If all of this were conceded, how was it possible for the complainant to be damaged, unless some one availed himself of such an opportunity?

The defendant had as much right to sell its shoes as the complainant had to sell those of its manufacture, provided, that it did so within the limitations stated by the Court of Appeals.

In the various authorities that have been referred to by counsel, none state the rule as to unfair trade more clearly than the Court of Appeals in this case. The court said:

"The essence of the rule being that one person shall not, in the sale of his goods, so act as to lead the public to believe that they are the goods of another."

Applying this rule to the evidence in this case, the complainant's demand for damages must fail.

Hardly less specific is the declaration of the Court of Appeals of the Eighth Circuit in the case of *Walter Baker Company vs. Sydney C. Gray, et al*, recently decided and as yet unreported.

Judge Knappen of the Sixth Circuit in delivering the opinion of that court in the recent case of *Rathbone, Sard & Co. v. Champion Steel Range Co.*, (189 Fed. Rep., 26), declared the same rule.

The opinion of the court in that case is fairly well summarized in the syllabus as follows:

"The essence of the wrong in unfair competition consists in the sale of the goods of one manufacturer or vendor for those of another."

"The fact that an article of defendant's manufacture is represented by unprincipled retailers as that of complainant does not render defendant liable for unfair competition, providing it did its legal duty in distinguishing its product from that of complainant."

"Where the deception of purchasers is not the natural result of the imitation by defendant of goods made by complainant, and there is no intention to so deceive purchasers, a case of unfair competition is not made out."

Much has been said by counsel and the master as to whether the case of *Baker vs. Baker* (115 Fed. Rep., 297), decided by the Circuit Court of Appeals for the Second Circuit, is authority in the case now being considered.

That court is one of the strongest in the country, and its decision in *Baker vs Baker* has been approvingly considered by the Court of Appeals of this circuit. That decision was on an accounting in an "unfair trade" case.

The court, at page 299 of 115 Fed. Rep., said:

"The evidence upon the accounting failed to disclose that complainant was entitled to any recovery of profits, or any except nominal damages, by reason of the defendant's conduct. It failed to disclose that a single person had purchased goods marketed by the defendant supposing them to be the product of the complainant, or that the complainant had lost a single customer by the defendant's conduct."

In *Howe Scale Co. vs. Wyckoff, et al.*, 198 U. S., 118, Chief Justice Fuller said:

"The essence of the wrong in unfair competition consists in the sale of the goods of one manufacturer or vendor for those of another, and if defendant so conducts its business as not to palm off its goods as those of complainant, the action fails."

In the present case, the evidence shows that the defendant did not attempt to palm off its manufacture for the manufacture of complainant, but upon the contrary, proclaimed in almost every conceivable way that it was the manufacturer of the goods offered for sale.

In the view the court takes of this case, it does not deem it necessary to go into the question of what were and what were not proper allowances to the defendant for the expenses of manufacture.

A cursory view, however, of the master's report in these

particulars shows that he was rigidly parsimonious in such allowances

The exceptions of complainant to the master's report will be overruled, and the exceptions of the defendant to the same report will be sustained.

A judgment for nominal damages (\$1.00) will be entered in favor of the complainant and against the defendant.

It appearing from the record that prior to the beginning of the accounting defendant tendered to the complainant the sum for which judgment is directed, the costs attending such accounting are adjudged against the complainant.

An allowance of two thousand dollars (in addition to the amounts heretofore paid him) will be allowed the master and will be taxed as costs in the case.

Counsel may prepare a decree in conformity with this opinion and hand it to the clerk for the consideration of the Court.

SUPREME COURT OF ILLINOIS

PEOPLE V. DANTUMA.

(96 Northeastern Rep., 1087.)

December 21, 1911

1. UNION LABEL—RIGHT TO PROTECTION.

A union label is not a trade-mark, as the term is used at common law, but the legislature may provide by law for the registration and protection thereof, to secure to organized labor the benefit of its industry and skill.

2. UNION LABEL—WRONGFUL USE.

In a criminal prosecution for unauthorized use of the registered label of a trade union, *held* that the evidence was insufficient to sustain a conviction.

On writ of error to the Municipal Court of Chicago.

Thomas F. Monahan (*Jesse Holdom*, of counsel), for plaintiff in error.

W. H. Stead, attorney general, *John E. W. Wayman*, State's attorney, and *W. Edgar Sampson* (*Zach Hofheimer*, of counsel), for the People.

HAND, J.—This was a criminal prosecution, commenced in the Municipal Court of Chicago, against Regnerus Y. Dantuma and Gean Forget, doing business as the Galbraith Press, for violating Section 5 of Chapter 140 of Hurd's Statutes of 1909, by unlawfully using and displaying the union label of the Allied Printing Trades Council of Chicago on 120,000 cards which they printed, upon the order of J. L. Clark, for St. Vincent's Infant Asylum. A jury was waived and the case was tried by the court, and at the close of all the evidence Forget was discharged and a fine of \$100 was imposed upon Dantuma, and he was ordered to stand committed until the fine and costs were paid. He has sued out a writ of error from this court to review said judgment, and has assigned as error, first, that the statute under which he was prosecuted and convicted is unconstitutional; and, secondly, conceding said statute to be constitutional, that the evidence was not sufficient to support the conviction.

Sections 1, 3 and 5 of the statute under consideration read as follows:

"Section 1. Whenever any person or any association or union of workingmen, has heretofore adopted or used, or shall hereafter adopt or use any label, trade-mark, term, design, device or form of advertisement for the purpose of designating, making known or distinguishing any goods, wares, merchandise or other product of labor as having been made, manufactured, produced, prepared, packed or put on sale by such person or association or union of workingmen, or by a member or members of such association or union, it shall be unlawful to counterfeit or imitate such label, trade-mark, term, design, device or form of advertisement, or to use, sell, offer for sale, or in any way utter or circulate any counterfeit or imitation of any such labels, trade-mark, term, design, device or form of advertisement."

"Section 3. Every such person, association or union that has heretofore adopted or used, or shall hereafter adopt or use, a label, trade-mark, term, design, device or form of advertise-

ment, as provided in section one (1) of this act, shall file the same for record in the office of the Secretary of State, by leaving two (2) copies, counterparts or facsimiles thereof with said secretary, and by filing therewith a sworn statement specifying the name or names of the person, association or union on whose behalf such label, trade-mark, term, design, device or form of advertisement shall be filed the class of merchandise and a particular description of the goods to which it has been or is intended to be appropriated; that the party so filing, or on whose behalf such label, trade-mark, term, design, device or form of advertisement shall be filed, has the right to the use of the same, and that no other person, firm, association, union or corporation has the right to such use either in the identical form or in any such near resemblance thereto as may be calculated to deceive, and that the facsimile copies or counterparts filed therewith are true and correct. There shall be paid for such filing and recording a fee of one (1) dollar. Any person who shall for himself, or on behalf of any other person, association or union, procure the filing of any label, trade-mark, term, design, device or form of advertisement in the office of the Secretary of State, under the provisions of this act, by making any false or fraudulent representations or declaration, verbally or in writing, or by any fraudulent means, shall be liable to pay any damages sustained in consequence of any such filing to be recovered by or on behalf of the party injured thereby in any court having jurisdiction, and shall be punished by a fine not exceeding two hundred (200) dollars or by imprisonment not exceeding one year or both such fine and imprisonment. The Secretary of State shall deliver to such person, association or union so filing or causing to be filed any such label, trade-mark, term, design, device or form of advertisement so many duly attested certificates of the recording of the same as such person, association or union may apply for, for each of which certificates said secretary shall receive a fee of one (1) dollar. Any such certificate of record shall in all suits and prosecutions under this act be sufficient proof of the adoption of such label, trade-mark, term, design, device or form of advertisement. Said Secretary of State shall not record for any person, union or association any label, trade-mark, term, de-

sign, device or form of advertisement that would reasonably be mistaken for any label, trade-mark, term, design, device or form of advertisement theretofore filed by or on behalf of any other person, union or association."

"Section 5. Every person who shall use or display the genuine label, trade-mark or form of advertisement of any such person, association or union, in any manner not authorized by such person, union or association, shall be deemed guilty of a misdemeanor, and shall be punished by imprisonment in the county jail not less than three months nor more than one year, or by a fine of not less than \$100 nor more than \$200, or both. In all cases where such association or union is not incorporated, suits under this act may be commenced and prosecuted by any officer or member of such association or union on behalf of and for the use of such association or union."

The facts, in brief, are as follows: In June, 1911, Clark called up Dantuma on the 'phone at the place of business of the Galbraith Press, and said to him he wanted to have 120,000 cards printed for "field day," for the benefit of St. Vincent's Infant Asylum, and that he wanted the union label thereon. Dantuma replied that he could print the cards, but he did not have the right to use the union label. Clark then asked him if he could not have the printing done with the union label on, and he replied he could. Dantuma thereupon caused a proof of the card to be set up in the Galbraith Press office, with the exception of the union label, and arranged with one F. W. Colwell, who had the right to use the union label, to place thereon the union label, and to have the plate as then completed electrotyped, and the cards were then printed and delivered to Clark, or to the St. Vincent's Infant Asylum. The evidence was conflicting as to whether the printing was done at the office of the Galbraith Press, or at the office of Colwell.

The information charged the defendants with wrongfully using the union label of the Allied Printing Trades Council of Chicago, and to prove the charge introduced in evidence a certificate of the Secretary of State, showing a union label registered by the International Typographical Union of North America, of Indianapolis, Ind.. When the proof was in, leave was granted the state

to amend the information by striking out the words "Allied Printing Trades Council of Chicago," and inserting in lieu thereof the words "International Typographical Union of North America, of Indianapolis, Indiana," but the information was not amended.

It is urged by the plaintiff in error that the union label involved in this case, or any union label, for that matter, is not a trade-mark, in this: That it does not show origin or ownership, within the meaning of those terms as the same are used in the law pertaining to trade-marks (*Kidd v. Johnson*, 100 U. S., 617, 25 L. Ed., 769; *Manufacturers' Co. v. Trainer*, 101 U. S., 51, 25 L. Ed., 993; *Columbia Mills Co. v. Alcorn*, 150 U. S., 460, 14 Sup. Ct., 151, 37 L. Ed., 1144; and that, a registered union label not being a trade-mark, it can not be protected, and its use by others prohibited by law. We think it may be conceded that a union label, like the one here sought to be protected, does not fall within the meaning of a trade-mark, in the broad sense in which that term is used at common law. *Cigar Makers' Protective Union v. Conhaim*, 40 Minn., 243, 41 N. W., 943, 3 L. R. A., 125, 12 Am. St. Rep., 726. Still, we think the Legislature may lawfully provide for the registration of a union label similar to the one herein involved, and protect its use, and such is the holding of the courts of last resort in Massachusetts and Kentucky. *Tracy v. Banker*, 170 Mass., 266, 49 N. E., 308, 39 L. R. A., 508; *Hetterman Bros. & Co. v. Powers*, 102 Ky., 133, 43 S. W., 180, 19 Ky. Law Rep., 1087, 39 L. R. A., 211, 80 Am. St. Rep., 348. See, also, *State v. Bishop*, 128 Mo., 373, 31 S. W., 9, 29 L. R. A., 200, 49 Am. St. Rep., 569; *Schmalz v Wooley*, 57 N. J. Eq., 303, 41 Atl. 939, 43 L. R. A., 86, 73 Am. St. Rep., 637; *People v. Luhrs*, 195 N. Y., 377, 89 N. E., 171, 25 L. R. A. (N. S.) 473. And this court is, we think, committed to that view in *Cohn v. Peope*, 149 Ill., 486, 37 N. E., 60, 23 L. R. A., 821, 41 Am. St. Rep., 304.

We see no valid reason, and none has been suggested by counsel, why those engaged in skilled employment may not so designate the result of their labor by a union label as to enable them to secure to themselves the fruit of their skill. The skilled workman by his labor creates wealth, and, if the employer of labor

can by a registered trade-mark secure to himself the wealth which he has created by his industry, there can in law or justice be no reason why the man who labors, and who by his skill and industry has created a demand for a particular commodity that secures for him more remuneration, may not be equally protected by a registered label which notifies the public that the commodity offered for sale and upon which skilled labor has been expended was manufactured or created by skilled labor. We are therefore of the opinion the act providing for the registration and the protection from use by others of a union label is a valid, constitutional enactment.

The information alleged that the label infringed was the registered union label of the Allied Printing Trades Council of Chicago, while the evidence showed the label used in printing the cards delivered to Clark or the St. Vincent's Infant Asylum by the defendants was the registered label of the International Typographical Union of North America, of Indianapolis, Ind. There was here, therefore, a fatal variance between the information and the proof. This variance was sought to be obviated by an amendment to the information, but no amendment was made. The variance was therefore not cured. It is said, however, in the brief filed by the people that there was no variance, as the Allied Printing Trades Council of Chicago was a subordinate branch of the International Typographical Union of North America, of Indianapolis, Ind., and had the right to use and control said label. This may be true, but the evidence does not show that fact, and upon the face of the record the variance is fatal to a conviction.

It also appears from the testimony of Colwell that the contract for the printing of the 120,000 cards, which is the basis of this prosecution, was sublet to him, and that he did the printing of said cards at his office, and used the union label in so doing, as he had the right to do. While his testimony was contradicted by that of A. Bartels, we do not think the uncorroborated testimony of Bartels upon that subject sufficient to sustain a conviction. He was a discharged employ   of the defendants, and his testimony in many particulars was very uncertain and unsatisfactory. There was nothing in the contract

between the defendants and Clark which prevented the defendants from subletting their contract with Clark to Colwell, and if they had sublet such contract in good faith, and without the intention, by subterfuge or otherwise, of using or displaying unlawfully the union label upon said cards, they, or either of them, would not be liable to a prosecution under the statute.

The judgment of the municipal court of Chicago will be reversed, and the case remanded.

Reversed and remanded.

SUPREME COURT OF MISSOURI

LAMPERT V. JUDGE & DOLPH DRUG CO.

(141 Southwestern Rep., 1095.)

November 14, 1911.

TRADE-MARK INFRINGEMENT—PUNITIVE DAMAGES.

For every infraction of a legal right, the injured party is entitled to at least nominal damages, though no actual damage be proven. A finding of nominal damages is enough to sustain a verdict for punitive damages, when the element of malice is present in the perpetration of the wrong.

Punitive damages may be recovered in a case of trade-mark infringement, where the element of fraudulent intent is present.

On certificate from the St. Louis Court of Appeals.

For opinion of the latter court, see 119 Mo. App., 693; 100 Southwestern Rep., 659.

Frank K. Ryan, for appellants.

Jamison & Thomas, for respondent.

ROY, C.—This is a suit, instituted February 23, 1904, in the Circuit Court of the City of St. Louis, for damages for the infringement of a trade-mark. On a jury trial, October 19, 1904, plaintiff had a verdict for one cent compensatory damages and \$500 punitive damages, and judgment accordingly. On appeal to the St. Louis Court of Appeals, the judgment was reversed

in an opinion reported in 119 Mo. App., 693, 100 S. W., 659. One of the judges of that court being of the opinion that the decision is in conflict with *Kennedy v. Railroad*, 36 Mo., 351, the cause was certified to this court.

The Judge & Dolph Drug Company, one of the defendants, is a corporation engaged in selling drugs and cigars at retail in St. Louis for a good many years. Defendant Taylor was the cigar clerk of the company from October, 1900, to the time of the trial.

Plaintiff claimed in his petition that he had been making and selling cigars in St. Louis for fifteen years under a trade-mark which was composed of the words "Flor de Lampert" and the picture of the plaintiff, which trade-mark was by the plaintiff, on February 26, 1892, filed and recorded in the United States Commissioner of Patents Office; that, by reason of the quality of the tobacco used and the efforts of plaintiff in advertising the same, the plaintiff's cigars sold under said trade-mark had gained great reputation on account of their excellent quality; and that during all that time plaintiff had received large profits from the sale of the cigars; that plaintiff, during the time from March 11, 1902, to February 15, 1904, sold to defendants cigars so manufactured by plaintiff, on the boxes of which was said trade-mark, and said cigars were so sold to defendants to be sold at retail to their customers; that during all that time defendants, well knowing the reputation of plaintiff's cigars for excellent quality, did wrongfully, willfully, and wickedly substitute and place other cigars of cheap and inferior quality in the boxes bearing said trade-mark, and sold them to their customers as and for cigars manufactured by the plaintiff, thereby intending to injure the plaintiff and to injure the reputation of plaintiff's cigars, and to cheat and defraud the public and their customers. The actual damages were alleged at \$5,000, and the punitive damages at the same amount. The answer admitted the corporate existence of the drug company, but was, in effect, otherwise a general denial. The evidence tended to establish all the allegations of the petition, and tended to show several sales by Taylor, as such clerk, of substituted, inferior cigars from boxes having said trade-mark.

Defendant Taylor was arrested and fined in the federal court for violation of the revenue laws in such sales. The revenue officers testified to finding the substituted cigars in boxes having plaintiff's trade-mark, in the defendants' store, and at the same time finding plaintiff's genuine cigars in another such box. The president of defendant drug company loaned Taylor \$25 to pay his fine in the federal court, and retained him in its employ.

Mr. Bierman, deputy collector of internal revenue, testified that he bought three of the substituted cigars, and that two were left in the box; he went out and gave the cigar to Mr. Lampert, and when he went back there were sixteen cigars in the box. On cross-examination by defendants' counsel, Mr. Atwood, deputy collector of internal revenue, testified that complaints had been made to him by various other cigar makers that defendants were substituting their cigars. Mr. Farrar, a real estate man, testified that the substituted cigars were like "these machine cigars, so they call them; smooth, round, straight, light cigars that haven't any taste—no flavor."

There was no direct evidence to show that any one connected with the drug company, except Taylor, had any knowledge of the infringement. Mr. Judge, president of the drug company, disclaimed any knowledge of any substitution of cigars, and testified that the company carried a \$90,000 stock of goods with \$80,000 insurance, and was worth net \$10,000, with \$15,000 capital stock.

The fourth and fifth instructions were as follows:

"(4) The court instructs the jury that, if they believe from the evidence that the defendants wilfully and maliciously, between the date of November 1, 1903, and February 15, 1904, sold cigars which were not manufactured by plaintiff, from boxes having thereon the trade-mark and picture of plaintiff, as cigars manufactured by plaintiff, and if the jury further finds from the evidence that the plaintiff is entitled to compensatory or actual damages in any sum whatever, as defined in other instructions given to them, then they are at liberty to find in addition to said actual damages such further sum in the way of exemplary or punitive damages, by way of punishment to defendants, and as an example to others, as, in their sound judgment, under all

the evidence in the case, they believe the defendants ought to pay, not exceeding \$5,000.

"(5) The jury are instructed that malice is the willful or intentional doing of a wrongful act without legal justification or excuse."

1. The trial court properly refused defendants' demurrer to the plaintiff's evidence. The evidence fully covered the plaintiff's case as made by the pleadings, except that there was no evidence as to the quantum of damages. It is the clearly established law that for every infraction of his legal right the party injured is entitled to at least nominal damages, and we adhere to the opinion of the Court of Appeals on that point.

2. Whether exemplary damages are recoverable where there are allowed only nominal actual damages is a question as to which the authorities are divided; the courts of this state and the federal courts, as well as legal reason, and the greater weight of authority, being in favor of such recovery. Some of the decisions of the courts speak of nominal damages as being something else than actual damages; whereas the nominal damages assessed for the violation of a legal right, where there is no showing as to the quantum of damages, are actual or compensatory damages. This court has spoken very clearly on that subject in *Hoagland v. Amusement Co.*, 170 Mo., loc. cit. 345, 70 S. W., 880, 94 Am. St. Rep., 740, where it is said: "The jury in finding for the plaintiff in effect found that defendants arrested the plaintiff, and cursed and abused him without any lawful excuse or reason therefor, and upon that finding he was entitled to have actual damages in some amount assessed in his favor. Under such circumstances, at the common law he is entitled to pecuniary reparation by way of damages, at least nominal, and as much more, if anything, as the jury may think him entitled to under the evidence." The consensus of authority is to the effect that punitive damages are not recoverable where no actual damages are allowed. But that is a very different thing from holding that they are not recoverable in connection with nominal actual damages. There are comparatively few cases holding that nominal actual damages will not support exemplary damages.

The leading case in opposition to the allowance of punitive damages where only nominal actual damages are allowed is *Stacy v. Portland Pub. Co.*, for libel, 68 Me., 279. The court in that case cited no authorities, and its reasons for so holding were based almost entirely on the peculiar facts of that case, and in the conclusion the following language is used: "There may be cases, no doubt, where the actual damages would be but small and the punitive damages large. But this case is not of such a kind." That case was followed and approved in *Maxwell v. Kennedy*, 50 Wis., 645, 7 N. W., 657.

The cases cited by appellants from Illinois and Michigan turned on the construction of statutes against the sale of intoxicants to inebriates, and have no application here. The Iowa cases (*Kuhn v. Railway*, 74 Iowa, 137, 37 N. W., 116, and *Schwartz v. Davis*, 90 Iowa, 324, 57 N. W., 849) were based on the Illinois cases, the Iowa court seemingly overlooking the fact that the Illinois cases only applied to suits brought under the statute.

On the other hand, the Supreme Court of New York, in *Prince v. Brooklyn Eagle*, 16 Misc. Rep., 186, 37 N. Y. Supp., 250, after citing the Stacy case, said: "But I do not think it is the law of this state; a person may be of such high character that the grossest libel would damage him none, but that would be no reason for withdrawing his case from the wholesome, if not necessary, rule in respect of punitive damages. It is in such cases that the rule illustrates its chief value and necessity."

In *Press Pub. Co. v. Monroe*, in the United States Circuit Court of Appeals, 73 Fed., 196, 19 C. C. A., 429, 51 L. R. A., 353, it is said: "There is room for argument against the allowance of exemplary damages at all as anomalous and illogical. Some courts have held that it is unfair to allow the plaintiff to recover, not only all the loss he has sustained, but also the fine which society imposes on the offender to protect its peculiar interests. But, if it be conceded that such additional damages may be assessed against the wrongdoer, and, when assessed, may be taken by the plaintiff, and such is the settled law of the federal courts, there is neither sense nor reason in the proposition that such additional damages may be recovered by a plaintiff who is

able to show that he has lost ten dollars, and may not be recovered by some other plaintiff, who has sustained, it may be, far greater injury, but is unable to prove that he is poorer in pocket by the wrongdoing of defendant." And in *Railroad v. Sellers*, 93 Ala., 9, 9 South, 375, 30 Am. St. Rep., 17, the court, after quoting from the Stacy case, said: "The position of the Supreme Court of Maine can be sustained in principle, it seems to us, only by assuming that which is manifestly untrue, namely, that no act is criminal which does not inflict individual injury capable of being measured and compensated for in money."

The Supreme Court of Kansas, in *Hefley v. Baker*, 19 Kan., 9, which was a suit in trespass to the realty, held that plaintiff "was only entitled to nominal damages and to such exemplary damages as the jury might think proper to give him."

In *Flanagan v. Womack*, 54 Tex., 45, 51, the court said: "It is a general rule that for every unlawful trespass the injured party is entitled to at least nominal damages. Certainly this should be so if the trespass was of such character as to authorize exemplary damages. This nominal damage would be the measure of the actual damage, if no other is shown, and must necessarily arise in every case in which exemplary damages could be given."

The United States Circuit Court for the District of Kansas held, in *Wilson v. Vaughn* (C. C.) 23 Fed., 229, in favor of the rule allowing punitive damages in connection with nominal damages.

We come now to a consideration of the decisions in this state on the question. The first in order of time is *Favorite v. Cottrill*, 62 Mo. App., 119, in which Judge Biggs said, after quoting from the Stacy case: "But there is a line of decisions equally respectable which hold to the contrary."

In *Ferguson v. Pub. Co.*, 72 Mo. App., 462, a libel case, Judge Bond clearly and satisfactorily upholds the right to punitive damages in such cases, and his opinion is quoted and commended in 2 Sutherland on Damages, § 406. To the same effect is *Mills v. Taylor*, 85 Mo. App., loc. cit. 115. And it was said in *Brennan v. Maule*, 108 Mo. App., loc. cit., 338, 83 S. W., 284: "It is now settled in this state that actual damage in at

least a nominal sum must be found as a condition for the recovery of exemplary or punitive damages." It may be interesting in this connection to call attention to *Courtney v. Blackwell*, 150 Mo., loc. cit., 277, 51 S. W., 668, in which the damages for slander were assessed at a lump sum as punitive damages; there being no finding as to actual damages on account of oversight in the form of the verdict given to the jury. This court refused to reverse the case on account of the failure to find actual damages.

Our attention has been called to many infringement cases in equity, in which the courts refused to order an accounting where plaintiff's damages were nominal or very small. The remedies in equity and at law are radically different. Equity gives as damages the profits of the defendant; while the law limits them to the loss suffered by plaintiff. Equity restrains future wrongs by injunction. Law seeks to prevent such future violations by inflicting exemplary damages for past offenses.

We hold that a verdict for nominal actual damages will support a verdict for punitive damages.

3. It is insisted by appellants that exemplary damages are not recoverable in this case, for the alleged reason that there is no showing of malice or oppression. On that proposition we are forced to a different conclusion from that reached by the Court of Appeals. We concede that the cases there cited require that there shall be malice in the case. There are two kinds of malice; malice in fact, and malice in law. Legal malice, as distinguished from actual malice, will justify exemplary damages in this state.

In *Goetz v. Ambs*, 27 Mo., 28, 33, the court says: "If the injury is not intentional, but results simply from a want of proper care, nothing more should be recovered than will compensate for the actual damage; but if the act is willful or intentional, then the idea of compensation is abandoned, and that of punishment introduced. It is said generally that malice must exist to entitle the plaintiff to anything more than reparation for the injury; but it will be found that the word 'malice' is always used, in such connection, not in its common acceptance of ill will against a person, but in its legal sense—'willfulness; a wrongful act, done intentionally, without just cause.'" "To entitle

the plaintiff to recover punitive damages, he must show that the act complained of was unlawful; and, further that it was a wanton or malicious act. In other words, he must show an unlawful act coupled with an intentional wrong." *State v. Jungling*, 116 Mo., 162, 165, 22 S. W., 688, 689. "The average layman would believe that 'malicious' means ill will, spite, hostility towards the other party. This is not the legal meaning. Those feelings may or may not be present in the legal meaning of the term. The legal meaning of the term is 'the intentional doing of a wrongful act without just cause or excuse.'" *McNamara v. St. Louis Transit Co.*, 182 Mo., loc. cit., 681, 81 S. W., 881, 66 L. R. A., 486. The Supreme Court of the United States held, in *Railroad v. Arms*, 91 U. S., 489, 23 L. Ed., 374, that punitive damages could be allowed in actions for torts where the injury is willful, or is the result of that reckless indifference to the rights of others, which is equivalent to an intentional violation of them. We therefore hold that the question of malice and punitive damages was properly submitted in the fifth instruction.

4. We come now to the consideration of the question as to whether cases for the infringement of trade-marks are outside the rule allowing exemplary damages. Appellants claim they are. They call our attention to a long line of patent cases which were held by the courts not to be within the rule as to exemplary damages; and appellants claim that trade-mark cases are governed by the same rule as in patent cases. An examination of those cases, however, will reveal the fact that in 1836 it was provided by act of Congress that the jury should not, in patent cases, allow vindictive damages, but that the court should have the power to inflict punitive damages within the limits of trebling the actual damages found by the jury. *Seymour v. McCormick*, 16 How., 480, 14 L. Ed., 1024. It will thus be seen that those cases rest solely on the act of Congress, and are not authority for appellants' contention.

The *Am. & Eng. Enc. Law* (vol. 2, p. 438) holds that exemplary damages can not be recovered, citing *Taylor v. Carpenter*, 2 Woodb. & M., 1, loc. cit., 22, Fed. Cas. No. 13,785, decided by the United States Circuit Court at Boston, Mass., in 1846. In that case the court said: "So in very corrupt or flagitious wrongs,

if a criminal prosecution lies for the criminal offense, I do not see much justification for what are called vindictive damages there, or smart money in a civil suit, as the criminal one covers them." That reasoning is opposed to the well-established law in this state, as this court has uniformly held that the right to exemplary damages is not removed by the fact that the same wrongful act is punishable criminally. *Corwin v. Walton*, 18 Mo., 71, 59 Am. Dec., 285; *Gray v. McDonald*, 104 Mo., 303, 16 S. W., 398; *Buckley v. Knopp*, 48 Mo., 152.

The only other case found which lends color to appellants' contention on this point is *Addington v. Cullinane*, 28 Mo. App., 238. That was an action at law for damages for the infringement of a trade-mark. There was an instruction telling the jury that the measure of damages was the net profits made by defendants, unless there was malice on the part of defendants, in which case they might find exemplary damages. The learned judge who wrote the opinion in that case held the instruction erroneous, because it made the defendants' gain, instead of plaintiffs' loss, the measure of actual damages. He did not discuss the subject of exemplary damages, and we do not construe that case as expressing any opinion on that subject.

Hopkins on Trade-marks (page 356) says that the better rule is in favor of such allowance, and that it is difficult to see how the result stated in *Taylor v. Carpenter* and *Addington v. Cullinane*, *supra*, was reached, adding: "They are wholly without precedent and opposed to the rule of damages which obtained at common law."

Judge Blodgett, in *Warner v. Roehr*, Fed. Cas. No. 17,189a, a case for the infringement of a trade-mark, in the Northern District of Illinois, instructed the jury that exemplary damages might be allowed "in cases of this character, where you are satisfied from the proof and from the admissions in the case that the fraud—the intention to defraud—is at the bottom of the matter." *Paul on Trade-marks* (section 324) and *Brown on Trade-marks* (sections 519 and 520) hold in favor of such allowance.

If the jury found all that the evidence tended to prove, they found that the clerk, Taylor, was making a practice of substi-

tuting cheap cigars in boxes with plaintiff's trade-mark thereon, and also in place of the cigars of other makers, to such an extent that various makers of cigars complained to the revenue officers; that Taylor was fined in the federal court for such substitution, and the president of the company loaned him the money to pay the fine and retained him as such clerk, showing that if the higher officers of the company knew nothing of his wrongdoing while it was going on they did not repudiate him after learning all about it; that the well-earned reputation of various brands of cigars was being besmirched, and customers were being disappointed and disgusted with cheap substitutes for their favorite smoke. In other words, Taylor, as such clerk, was running amuck in the cigar world, destroying reputations, and offending tastes, all done willfully, intentionally, and without any sort of justification or excuse, for dishonest gain. Yet, from the very nature of the trade, it was practically impossible to prove more than nominal, actual damages.

It must be remembered that this case has been briefed on both sides on the undisputed theory that the acts and intent of the clerk in making said sales bind the drug company as effectual-ly as if done by the president of the company himself.

The judgment is affirmed.

BOND, C., not sitting.

Per CURIAM.—The foregoing opinion of ROY, C., is hereby adopted as the opinion of the court.

[The law is well settled that a finding of nominal damages is sufficient to support a verdict for punitive damages. The rule is stated by Sedgwick as follows:

"If the plaintiff has suffered no actual loss, he can not maintain an action merely to recover exemplary damages. If, however, a right of action exists, though the loss is nominal, exemplary damages may be recovered in a proper case" (1 Sedgwick on Damages, 8th Edition, §361).

In addition to the cases cited in the decision, the following authorities may be consulted: *Day v. Woodworth*, 13 How. (U. S.), 363; *Fry v. Bennett*, 4 Duer (N. Y.), 247; s. c., 9 Abb. Pr., 45; s. c., 38 N. Y., 324; *Kerns v. Hagenbuckle*, 28 J. & S., 228; *Lipe v. Eisenlerd*, 32 N. Y., 229; *Bartley v. Richtmeyer*, 4 N. Y., 38; *Mulvehall v. Millward*, 11 N. Y., 343; *Ingerson v. Miller*, 47 Barb. (N. Y.), 47; *Merest v. Harvey*, 5 Taunt., 442; *Weyer v. Wegner*, 58 Texas, 539; *Devaughn v. Heath*, 37 Alabama, 595; *Baltimore & Y. T. Road v. Boone*, 45 Md., 344; *P. W. & B. Railroad v. Larkins*, 47 Md., 155; *Knowles v. N. S. Railroad*, 102 N. C., 59; *Blanchard v. Burbank*, 116 Ill. App., 375.

On the question of the right to recover punitive damages in an action

for the infringement of a trade-mark, the authorities are not numerous, because actions at law for damages in cases of this character have been rare. In the case of *Taylor v. Carpenter*, cited in the text, the court did not deny the right to recover punitive damages in such a case, but merely in the case then under discussion. What must be regarded as the true rule was stated by Judge Blodgett in the United States Circuit Court for the southern district of Illinois in the year 1884, in an action to recover damages for infringement of trade-mark. He charged the jury that, in cases of this character, when satisfied that there is an intent to defraud, damages may be given, known as vindictive or exemplary damages, for the purpose of deterring others from embarking in the same scheme of deception and advised them that it was for them to determine what, under all the circumstances, would compensate the plaintiff and act as "smart money," to deter others from the like acts (*Warner v. Roehr*, Fed. Cases, No. 17189 a).

No reason exists why the doctrine of punitive damages should not be applicable, in a case of gross wrong arising out of infringement of trade-mark, when the circumstances are such as to justify the imposition of such damages.]

COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

IN RE JOHN BRAADLAND, LIMITED.

December 4, 1911.

TRADE-MARKS—SIMILARITY.

A mark consisting of the picture of a bear standing upright, holding a gun, and the words "Teddy Bear Brand," are deceptively similar to a mark consisting of the picture of a bear, having one foot resting on a fish, and the words "Pioneer Fishery."

Mr. A. E. Dowell, for the appellant.

Mr. R. F. Whitehead, for the commissioner of patents.

VAN ORSDEL, J.—This is an appeal from a decision of the commissioner of patents refusing registration of a trade-mark to be used on canned sardines. The mark consists of the picture of a bear standing upright holding a gun, with a scroll above in which appear the words "Teddy Bear Brand." The whole design is surrounded by an ornamental panel.

Registration was refused in view of certain existing registered marks, the most prominent one, which will be sufficient for this case, being that of the Northwestern Fisheries Company. Its mark consists of the picture of a bear having one foot resting

upon a fish, the same being surrounded by ornamental scrolls and surmounted by the words "Pioneer Fishery." It appears that the latter mark has only been used on canned salmon, but the registration includes all kinds of canned fish. The mark could therefore at any time in the future be used upon canned sardines. The fact that the mark has not been used on sardines will not prohibit the owner from so using it at any time. Non-user will not deprive the owner of the protection of the courts.

We agree with the commissioner that the most striking feature of these marks is the representation of a bear. The superscription "Teddy Bear Brand," instead of constituting a distinguishing characteristic of the mark, emphasizes the picture, which is the predominating feature of both marks. While there is no evidence of confusion, we think the similarity is so great as to cause confusion in the mind of the purchasing public. As was said in *McLean v. Fleming*, (96 U. S., 245) :

What degree of resemblance is necessary to constitute an infringement is incapable of exact definition, as applicable to all cases. All that courts of justice can do, in that regard, is to say that no trader can adopt a trade-mark, so resembling that of another trader, as that ordinary purchasers, buying with ordinary caution, are likely to be misled.

We think the likelihood of goods bearing either of these marks becoming known to the purchasing public as goods of the Bear Brand is apparent, especially when the words used on appellant's mark would tend to educate the public in that direction. We must, as best we can, foresee the impression that the purchasing public would get from using goods bearing these marks side by side on the shelves of the trader. As was said in *Wayne County Preserving Co. v. Burt Olney Canning Co.*, (32 App. D. C., 279) :

These marks, when appearing on the canned goods of the respective parties, exposed to the public on the shelves of the retailer are so similar as to be likely to cause confusion; and where, as in this case, there is no evidence on that subject except the marks themselves, it is the duty of the court to protect the prior registrant and user from the probability of any such occurrence.

The decision of the commissioner of patents is affirmed, and the clerk is directed to certify these proceedings as by law required.

JOHNSON EDUCATOR FOOD COMPANY v. SYLVANUS SMITH & Co.,
INC.*April 3, 1911*

I. INFRINGEMENT—GOODS OF THE SAME DESCRIPTIVE PROPERTIES.

"Two trade-marks may be said to be appropriated to merchandise of the same descriptive properties in the sense meant by the statute when the general and essential characteristics of the goods are the same. * * * The test is whether there is such a sameness in the distinguishing characteristics of the goods as to be likely to mislead the general public."

"Crackers, biscuits, bread, and breakfast cereals are not goods of the same descriptive properties with salted, smoked, pickled, and canned fish. It requires altogether too great a stretch of the imagination to conclude that anyone calling for breakfast food would accept salted codfish without knowing the difference."

Mr. George P. Dike for the appellant.

Mr. C. A. Barnard for the appellee.

ROBB, J.—This is an appeal from a decision of the commissioner of patents [*post*, p. 96], dismissing the opposition of appellant to the registration of the word "Educator" as a trade-mark for salted, smoked, pickled and canned fish. Appellant had previously registered the same word as a trade-mark for crackers, biscuits, bread, and breakfast cereals, and had built up an extensive trade in those products. The opposition is based upon the contention that the preparations of appellant are "of the same descriptive properties" as the fish products of appellee.

This is a statutory proceeding and we must, of course, be governed by the provisions of the statute relating thereto. Section 4 (b) of the Trade-Mark Act of February 20, 1905, (33 Stat., 724,) prohibits the registration of two marks "appropriated to merchandise of the same descriptive properties," and section 7 of the same act permits a prior registrant or applicant to oppose the registration of a mark "appropriated to goods of the same descriptive properties" as his own.

We think two trade-marks may be said to be appropriated to merchandise of the same descriptive properties in the sense meant by the statute when the general and essential characteristics of the goods are the same. * * * The test is whether there is such a sameness in the dis-

tinguishing characteristics of the goods as to be likely to mislead the general public. (*Phoenix Paint & Varnish Co. v. John T. Lewis & Bros.*, 32 App. D. C., 285; *Walter Baker & Co., Limited v. Harrison*, 32 App. D. C., 272.)

Unless, therefore, there are no distinguishing characteristics between the goods of the respective parties, we have no authority to interfere with the award of registration to appellee. We think the case ruled by our decision in the *Muralo Co. v. National Lead Co.*, present term, (36 App. D. C., 541; 165 O. G., 475). In that case the Muralo Company sought registration of a mark for calcimine. The opposition was upon the ground that calcimine was of the same descriptive properties as white lead, to which the opposer's mark applied. The court speaking through Mr. Chief Justice Shepard, said:

The real question is whether the use of the figure of a Dutch boy on one package and that of a Dutchman on the other is calculated to mislead an ordinary person seeking to buy white lead, into buying a package of calcimine. Bearing in mind the essential differences between the two articles, we think it impossible that such should be the case. The purchaser has some definite use in view and must know whether he wants white lead to compound into paint, or for other purposes, or whether he wants calcimine. * * * The fact that one intending to use oil paint for interior walls calls for white lead, but may be induced to use calcimine instead upon the representation that it is cheaper and when put on the wall can not be distinguished from oil paint by anyone but an expert, does not make a case of confusion in trade.

In the present case it requires altogether too great a stretch of the imagination to conclude that any one calling for breakfast food would accept salted codfish without knowing the difference. The general and essential characteristics of the two products are dissimilar, and while each is prepared for human consumption no confusion such as the statute contemplates can possibly arise in the mind of the public if the two products are sold under the same mark.

The decision of the commissioner is therefore affirmed and the clerk will certify this opinion as by law required.

THE COMMISSIONER OF PATENTS**JACKSON COMPANY V. ROGERS & THOMPSON.**

(174 O. G., 1025.)

*December 4, 1911***1. INFRINGEMENT—GOODS OF SAME DESCRIPTIVE PROPERTIES.**

Silk and cotton and silk mixed piece goods, are of the same descriptive properties as cotton sheeting and shirting and cotton piece goods and blankets.

2. INFRINGEMENT—CONFLICTING MARKS.

A mark showing several owls grouped under the branch of a tree is deceptively similar to another mark, showing a single owl on the branch of a tree, and word "Ko' Ko Ko."

Mr. Frederick P. Fish, for Jackson Company.

Mr. Joseph L. Levy and *Mr. A. M. Bunn*, for Rogers & Thompson.

MOORE, Commissioner.—This is an appeal by Rogers & Thompson from the decision of the examiner of interferences sustaining the opposition of the Jackson Company to the registration of appellant's trade-mark.

The present appeal raises two questions—first, as to the similarity of the goods to which the marks of the applicant and opposer are respectively applied and, second, as to the similarity of the marks themselves.

The marks belonging to the opposer upon which this proceeding is based are shown in registrations Nos. 12,188 and 65,595. These marks are described as used upon cotton sheetings and shirtings and upon cotton piece goods and blankets, more specifically described as bleached, gray, printed, and fancy cotton piece goods and blankets.

The applicant seeks to register the mark for use on silk and cotton and silk mixed piece goods. In my opinion the examiner of interferences was right in holding that the goods of the respective parties as thus described are of the same descriptive properties. It is believed that the ordinary purchaser would upon seeing similar marks displayed upon these classes of goods as-

sume that they were produced by the same manufacturer. It is to be noted that applicant itself at first sought to register the mark for cotton piece goods as well as silk piece goods and cotton and silk piece goods. This is very persuasive evidence that the ordinary purchaser might expect these classes of goods to be produced by the same manufacturer.

The marks of the opposer consist of the representation of an owl sitting upon a branch of a tree and having printed thereunder the word "Ko' Ko Ko" in one instance and the words "Ko' Ko Ko Sheetings" in the other. Applicant's mark consists of the representation of a number of owls with outspread wings grouped under the branches of a tree. In each of these marks the representation of the owl is believed to be so prominent as to be the controlling feature—the one which a purchaser would be likely to keep in mind as identifying the manufacturer. The fact that one mark shows a number of owls instead of one and the other differences in detail which exist are not believed to so differentiate the marks as to avoid the likelihood of confusion. I am therefore of the opinion that the examiner of interferences was right in sustaining the opposition of the Jackson Company, and his decision is affirmed.

EX PARTE, F. R. CHAMBERLAIN COMPANY

(174 O. G., 1026.)

January 3, 1912

REGISTRATION—APPLICATION—DESCRIPTION OF GOODS.

Where the labels filed with the application defined the goods as "a blend of rock-candy and maple syrup," the description "table syrup" in the application is sufficiently definite.

Messrs. Small & Small, for the applicant.

MOORE, Commissioner.—This is a petition from the requirement of the examiner of trade-marks that applicant's particular designation of its goods be amended by substituting for the words "table syrup" the words "*a blend of rock candy and maple syrup*," to accord with the reading of the label filed as one of the specimens.

The position of the examiner is that the words "table syrup" do not particularly describe applicant's goods within the meaning of the act of May 4, 1906, because, while all goods to which that term is applicable doubtless come within a single class of those established by the office under the act mentioned, the words might be construed to include articles which, in the opinion of the examiner, are not of the same descriptive properties. He suggests that strained honey might properly be termed a "table syrup," but is not of the same descriptive properties as maple syrup, molasses, cane-sugar syrup, etc.

I am of the opinion that the expression used by the applicant defines its goods with sufficient particularity to comply with the statute. Whether it is open to the objection specifically cited by the examiner is at best problematical. It would seem that all articles which can properly be classed as table syrups must be considered goods of the same descriptive properties. The expression appears to be fully as specific as those upheld in the case of *ex parte Winhorst & Co.*, (164 O. G., 249) and *ex parte Columbia Cotton Oil and Provision Corporation*, (163 O. G., 977).

The petition is granted.

ALEXANDER MILLING CO. v. VERNIER

(174 O. G., 1026.)

December 13, 1911

TRADE-MARKS—SIMILARITY.

A mark consisting of the representation of a man of joyful or hilarious expression, with the words "O B Joyful" is not deceptively similar to a mark consisting of the letters "O. B."

Mr. Homer C. Underwood, for The Alexander Milling Co.
Messrs. Milo B. Stevens & Co., for Vernier.

BILLINGS, First Assistant Commissioner.—This is an appeal by The Alexander Milling Co. from a decision of the examiner of inferences sustaining a demurrer to the notice of opposition and dismissing the opposition.

The mark sought to be registered consists of the pictorial representation of a man having a joyful and hilarious expression, with the words "O B Joyful" thereover and the word "Flour" thereunder.

The opposition is based upon the grounds that the opposer has long used a mark consisting of the letters "O B," and the record shows that this mark was registered on December 12, 1905, to Matthew Alexander, who, the notice of opposition shows, is one of the parties doing business under the firm name of The Alexander Milling Co.

The only question raised by the demurrer is whether the marks are so similar as to be likely to cause confusion in the mind of the public and deceive purchasers. The notice of opposition does not allege that there has been actual confusion.

In the recent case of *Carmel Wine Company v. California Winery* (decided December 4, 1911, 174 O. G., 586,) the court of appeals considered an application for the cancellation of a mark consisting of a picture of an oriental scene having in the corner thereof the representation of two men bearing a bunch of grapes. The application for cancellation was filed by a party who used as its trade-mark the representation of two men bearing a bunch of grapes. The court stated that

it goes without saying that no one has a right to incorporate the mark of another as an essential feature of his mark.

In that case there was no particular connection between the representation of the two men bearing the grapes and the remainder of the registrant's mark. The two marks were separate and distinct from each other. In the present case while applicant does show the letters "O B" they are used in such a way as to become a composite part of the mark, so that the significance of the mark as a whole is entirely different from that of the opposer. In other words, in the case above cited the representation of the two men bearing a bunch of grapes might well be the feature of the mark which would identify the goods of the registrant in the minds of the public, whereas in the present case it seems improbable that the goods of the applicant would be known as the "O B" goods.

The likelihood of confusion arising by the contemporaneous use of the marks of the applicant and opposer is believed to be so remote that registration should not be refused. As pointed out by the examiner of interferences, the question of likelihood of confusion should not be determined on demurrer if any doubt exists as to the probability of such confusion; but it is not seen in the present case that any testimony could be presented which would materially aid in determining that question.

The decision of the examiner of interferences is affirmed.

JOHNSON EDUCATOR FOOD CO. v. SYLVANUS SMITH & CO., INC.

January 9, 1910

1. TRADE-MARKS—PROPERTY RIGHT THEREIN.

It is well settled that there is no abstract property right in trade-marks. The use of a trade-mark by one manufacturer or vendor upon an article will not prevent another from adopting the same trade-mark for an article of different descriptive properties.

2. GOODS OF THE SAME DESCRIPTIVE PROPERTIES.

Goods are of the same descriptive properties when adapted to the same purpose, or such as in the ordinary expansion of business would eventually be included in the output of one concern.

3. OPPOSITION—LIKELIHOOD OF INJURY.

The use of a mark upon fish products is not likely to injure the owner of the same mark as applied to bread, crackers, and similar foodstuffs. An opposition by the latter to the former's registration of the mark was dismissed.

*Messrs. Macleod, Calver, Copeland & Dike, for Johnson
Educator Food Co.*

Mr. O. H. Fowler, for Sylvanus Smith & Co., Inc.

For opinion on appeal, see *ante*, p. 90.

TENNANT, Assistant Commissioner.—This is an appeal from the decision of the examiner of interferences sustaining the notice of opposition filed by the Johnson Educator Food Co. and adjudging that Sylvanus Smith & Co., Inc., is not entitled to register the word "Educator" as a trade-mark for salted, smoked, pickled, and canned fish—to wit, salted codfish, chips of halibut, smoked halibut and herring, pickled bloater, herring, and bloater-mackerel, and canned sardines, shrimps, and clams, in Class 46, foods and ingredients of foods.

It is alleged in the notice of opposition of the Johnson Educator Food Co. that the trade-mark "Educator" is used by it—

upon the food products hereinafter named, to wit: bread, crackers, biscuits, wafers, rusks, cookies, prepared gluten foods, breakfast cereals, flour (excepting fine wheat-flour), meal, crushed grains, selected whole grains, selected rice.

It is further alleged that the use of the trade-mark "Educator" upon fish products, above enumerated, which are placed in boxes or cans, with the labels applied thereto, would be likely to cause confusion in the minds of the public to the damage of the opposer, for the reason that the articles to which the trade-marks are applied are sold in trade to the same wholesale and retail dealers and are so closely allied to each other that purchasers who are familiar with the Johnson Educator Food Co.'s food products are caused to believe that the articles are products of the same manufacturer.

The testimony presented in behalf of the Johnson Educator Food Co. clearly shows that the mark "Educator" was adopted by one Dr. William L. Johnson, a dentist, for crackers which contained ingredients which were, in his opinion, better than those contained in the ordinary commercial crackers on sale at that time. Subsequently the use of the trade-mark "Educator" was extended by Dr. Johnson and his successor in business, the Johnson Educator Food Co., to include the articles above enumerated. It is clearly shown that the goods of the Johnson Educator Food Co. are recognized by purchasers to be of a high class. The goods bearing the trade-mark "Educator" were extensively advertised, and the sale extended throughout the United States and several foreign countries. Hopkins, the general manager of the Johnson Educator Food Co., testifies that during the last three years upward of one hundred thousand dollars have been expended in advertising the "Educator" products of the company.

Sylvanus Smith & Co., Inc., the applicant, first applied the word "Educator" as a trade-mark for fish in July or August, 1908. The goods sold by this company are mostly packed in pasteboard cartons, wooden boxes, glass jars, and tin cans, each of which bears the word "Educator," the use being somewhat similar to that employed by the Johnson Educator Food Co. on its mer-

chandise. The testimony clearly shows, and it is not disputed, that all the packages of Sylvanus Smith & Co., Inc., bear either the words "Packed at Gloucester, Mass., by Sylvanus Smith & Co., Inc.," or "Packed for Sylvanus Smith & Co., Inc."

The story of the adoption of the mark by Sylvanus Smith & Co., Inc., is briefly given by Howard F. Smith, the treasurer of the applicant company, as follows:

X-Q 60. What conversation did you have with Mr. Merchant in regard to the use of the word "Educator" as a trade-mark for fish at or about the time when you decided to use it?

A. Mr. Merchant and myself looked over the field to find a word under which to put our best products; after a careful look through a trade-mark journal we found the word "Educator" was not used upon fish and decided to adopt it. Mr. Merchant was in favor of using the word called "Edgewood" or "Wedgewood," I do not remember which; that being too near a trade-mark formerly used by Shute & Merchant Company, we decided on the word "Educator."

It may, in my opinion, be fairly inferred from the testimony that Smith was aware of the use of the trade-mark "Educator" upon crackers at the time the mark was adopted by the applicant. The testimony in behalf of the respective parties upon the question of the likelihood that an ordinary purchaser would be deceived into believing the goods sold by the applicant under the name "Educator" were of the manufacture of, or selected by the opposer is, as is usual in cases of this character, conflicting. Several of the witnesses in behalf of the opposer state that they have been asked whether the Johnson Educator Food Co. has extended its trade to fish products. It is therefore contended in behalf of the opposer that the public would be led to believe that the merchandise put on the market by the applicant was manufactured by the Johnson Educator Food Co.

It is also shown that benzoate of soda is used as a preservative in some of the packages of fish products. The contention, however, that the merchandise of the opposer would be damaged by the public belief that benzoate of soda is used in the bakery products of the opposer is, in my opinion, entitled to little, if any, weight. It is believed to be generally recognized that fish is of such a character that preservation must be attained by hermetically sealing or by the use of a preservative compound—as, for example, common salt or other chemical having the same effect;

but it is incredible that the general public would, upon being advised that benzoate of soda was used in fish products, infer that preservatives of this character were employed in bakery products.

It is well settled that there is no abstract property right in trade-marks. As stated in *Paul on Trade-Marks*, section 18:

It is property only when appropriated and used to indicate the origin or ownership of a commercial article. The trade-mark has no separate, abstract existence, but is appurtenant to the goods designed. It does not partake of the character or nature of a patent or copyright.

The use of a trade-mark by one manufacturer or vender upon an article will not prevent another manufacturer from adopting the same trade-mark for an article of different descriptive properties. Section 5 of the Trade-Mark Act, which deals with the registration of trade-marks, provides—

that trade-marks which are identical with a registered or known trade-mark owned and in use by another, and appropriated to merchandise of the same descriptive properties, or which so nearly resemble a registered or known trade-mark owned and in use by another, and appropriated to merchandise of the same descriptive properties, as to be likely to cause confusion or mistake in the mind of the public, or to deceive purchasers, shall not be registered.

It is to be observed that this statute does not prohibit the registration of a trade-mark used by another upon merchandise of different descriptive properties from that of a known or registered mark. Unless, therefore, it is held that the merchandise of the applicant is of substantially the same descriptive properties as that of the opposer the applicant is clearly entitled to registration. As stated by the Court of Appeals of the District of Columbia in the case of *Battle Creek Sanitarium Company, Limited v. Fuller*, (134 O. G., 1299; 30 App. D. C., 441):

It is not sufficient for the opponent to say that he believes he would be damaged. He must allege some fact showing an interest in the subject-matter from which damage might be inferred. If he has not used the mark as a trade-mark upon goods of a like description he can suffer no damage from its registration by another. (*McIlhenny's Son v. New Iberia Extract of Tabasco Pepper Co.*, C. D., 1908, 325; 133 O. G., 995.)

It is contended in behalf of the opposer that both the goods of the applicant and of the opposer belong to the general class of food products, and counsel for the opposer has in his brief quoted from several decisions of the court *dicta*, which, if read

without reference to the facts upon which the decisions are based, would appear to support the opposer's contention. Reference is first made to the case of *Walter Baker & Co., Limited v. Harrison*, (138 O. G., 770; 32 App. D. C., 272,) in which the Court of Appeals of the District of Columbia said:

Things may be said to possess the same descriptive properties when they can be applied to the same general use.

It may be observed that in that case the merchandise under consideration was coffee, on the one hand, and cocoa and cocoa products, on the other. The court said:

Coffee and cocoa, when used as beverages, are at once associated as belonging to the class of beverages in general domestic use. They belong to the class of beverages universally used on the table and sold in prepared packages for that purpose.

It is evident from this statement that the decision was based upon the fact that the particular sort of beverage used by the one could be substituted for that used by the other. The statement, therefore, above quoted, as well as the statement also contained in that decision that—

a mark should be denied, not only when used upon goods of the same descriptive properties as a similar registered mark, but when used on goods belonging to the same general class.

must have have been intended to mean goods which might have been used as a substitute for the goods of the registrant, as appears from the following quotation from the same decision:

Coffee and cocoa are used to a large extent for the same purposes.

In the case of *Church & Dwight v. Russ* (99 Fed. Rep., 276) it was said that—

goods are in the same class whenever the use of a given trade-mark or symbol on both will enable an unscrupulous dealer readily to palm off on an unsuspecting purchaser the goods of the infringer as the goods made by the owner of the trade-mark, or with his authority and consent.

In that case the plaintiff had used his trade-mark upon baking soda and saleratus only. The defendant's mark was used upon baking powder. The goods of both parties were adapted to be used for the same purpose.

In the case of *Phoenix Paint & Varnish Company v. John T. Lewis & Bros.*, (139 O. G., 990; 32 App. D. C., 285,) re-

ferred to by the opposer, the merchandise of one party was paste paints and the other ready-mixed paints. Manifestly both were adapted to the same use.

In the case of the *American Stove Company v. The Detroit Stove Works* (134 O. G., 2245; 31 App. D. C., 304) one was a coal stove and the other a gas stove. Again manifestly both are of the same descriptive properties.

In the case of *Collins Co. v. Oliver Ames & Co., Inc.*, (18 Fed. Rep., 561,) the facts in which are perhaps more closely analogous to those of the present case than any of those above cited, the plaintiff had employed the mark upon edge-tools and had extended its manufacture beyond edge-tools to digging-tools, such as picks and hoes, and had always put the mark "Collins & Co." upon the best quality of its articles. It was held in that case that the fact that it did not before 1856 make a digging-tool, such as shovels, on which in 1856 Ames & Son put the mark "Collins & Co.," does not warrant the conclusion that the mark was not in 1856 the mark of the plaintiff company in respect to shovels. The extension of trade protected in that case was manifestly in the same line—namely, metal or digging tools.

In each of the cases to which my attention has been directed or which I have been able to find, registration of a mark was denied an applicant or a defendant was enjoined only where the merchandise was adapted to the same purpose or the alleged infringing mark was upon merchandise which the plaintiff would in the ordinary expansion of his business eventually include in the output of his concern.

The testimony presented in this case clearly shows, and in fact it is within the knowledge of the general public, that bakers do not pack fish. In the present case the merchandise of the respective parties is not such that the one could be substituted for the other. I can see, therefore, no reason to believe that the purchaser of the applicant's fish would be led to believe that the Johnson Educator Food Co. packed fish in connection with the manufacture of its baking products. The preparation of fish, furthermore, is of a character that is so remote from the manufacture of baking products that the natural expansion of business would not include this merchandise.

I am therefore of the opinion that the statements contained in the decisions quoted by counsel for the opposer, when read in connection with the facts upon which the decisions are based, are not susceptible of such a broad interpretation as to be applicable to the present case.

The case of *George et al v. Smith et al.* (52 Fed. Rep., 830) is, in my opinion, more analogous to the present case than any of the decisions cited by the opposer. In that case the plaintiffs were packers of salmon, using the word "Epicure" as a trade-mark therefor. The defendants also used the word "Epicure" upon canned salmon, but contended that they were entitled to this mark for the reason that prior to the adoption by the plaintiffs of the word "Epicure" said defendants had used this mark upon canned tomatoes and peaches. In that case the court said:

The rights of the parties must be ascertained and measured by the situation as it existed in 1885 when complainants entered the field. Had they the right at that time to use the word "Epicure"? If the defendants had then sought to restrain the complainants' use of the word they would, in all probability, have been promptly dismissed from court with the information that their business as dealers in fruit could not be injured by the use of the term "Epicure" in salmon-packing. No one who has not permanently parted with his wits could purchase a can of salmon supposing he was getting a can of tomatoes. "Epicure" when used, in 1885, by the defendants meant fruit; when used by the complainants it meant salmon. If the complainants' use of the word could not have been enjoined in 1885 their right to it should not be destroyed now. If lawful then it should be protected now. The word was free to the complainants. They were engaged in a distinct line of industry. Its use could not possibly have harmed the defendants. * * *

The reasoning of some of the authorities would indicate that the defendants had a right to use the brand in connection with other fruit and vegetables, analogous to tomatoes and peaches, but to assert that they have the right to use it on all canned goods is carrying the doctrine far beyond any reported case. Beer and nails do not belong to the same class of merchandise because both are sold in kegs. The fact that the defendants have subsequently extended their business so as to include fish and other articles of food does not avail them, neither would the fact if it existed, that, at the time they adopted the word "Epicure" they intended in the future to embrace these articles.

For the reasons above stated I am clearly of the opinion that there is no such likelihood that the use of the word "Educator" upon fish products will injure the opposer as to warrant the denial of registration of the applicant's trade-mark.

The decision of the examiner of interferences is reversed.

EX PARTE, REISCH BREWING CO.

(174 O. G., 1217.)

January 20, 1912.

TRADE-MARKS—SIMILARITY.

Two trade-marks each of which includes the picture of a peacock with outspread tail are so similar that their contemporaneous use would be liable to cause confusion in the minds of the public.

Mr. E. G. Siggers for the applicant.

MOORE, Commissioner.—This is an appeal from the decision of the examiner of trade-marks refusing to register a trade-mark for beer, consisting of the representation of a top upon which appear the words "Gold Top" and the picture of a peacock with outspread tail.

Registration was refused on the ground that the mark resembled too closely those shown in registrations numbered 29,313 to Thomas Mullen & Co. and 31,318 to Weisbrod and Hess. Each of the marks upon which registration was refused includes the representation of a peacock with tail outspread. One of them also includes the word "Rheingold" and other minor features and the other the representation of a sign-panel upon which the peacock appears, together with the words "Ye Peacocke Ale," the name of the company, and other descriptive and advertising matter.

In my opinion the representation of the peacock in the applicant's mark and in that of each of the references cited is so prominent and so similar in appearance that the concurrent use of the marks upon goods of the same descriptive properties would be likely to cause confusion in the mind of purchasers. It seems more than likely that in the case of each mark the figure of the peacock would be the feature retained in the mind of the ordinary purchaser as identifying the goods.

In his argument applicant has drawn attention to the registered mark of F. Reisch & Bros., No. 22,288. It claims to be the successor to the rights of the registrant of that mark, and

it is pointed out that this registration is earlier than either of those cited against applicant and that it includes, among other features, the representation of a peacock. It is argued that this is evidence not only that applicant has the prior right to the use of the peacock as applied to beer, but that the registrant whose marks are cited against applicant were not, in fact, the originators of their mark. The latter fact, it is contended, brings the case within the ruling of the court in the case of *Nestle and Anglo-Swiss Condensed Milk Company v. Walter Baker & Co., Ltd.*, (167 O. G., 765; 37 App. D. C.,) wherein the following statement was made:

As above noted, appellee copied rather than originated its mark. Indeed, if its contentions in *Walter Baker Co. v. Harrison* (32 App. D. C., 272) and in the present case, should be accepted to their full extent, it would be a question whether it ever had any right at all to the mark. Certain it is that not being the originator of the mark it has no right to exclude every one else from using the representation of a woman as a trade-mark upon similar goods, (*Liggett & Myers Tobacco Co. v. Finzer*, 128 U. S., 182,) conceding for the purposes of this case only that it might have had that right had it been an originator instead of a copier.

That case, however, is clearly distinguishable from the present one. There the mark referred to as not original was copied substantially in its entirety from another source, and the question was as to the similarity of such mark in its entirety to another mark for which application for registration had been made. Here it is not contended by applicant that the marks as shown in the references are not original with the registrants, except as to the representation of the peacock therein; but the registration upon which it depends to show that this is old shows a very different peacock and appears to make no particular point of its use. It embodies several other features quite as prominent, if not more prominent; the peacock is relatively small, its tail is folded, and it is not so disposed as to attract attention.

The question here is not broadly as to the right to the registration of a picture of a peacock as applied to beer, but only whether the particular mark which applicant seeks to register is so like or so similar to marks owned by others as to be likely to cause confusion. It is believed that registration was properly refused.

The decision of the examiner of trade-marks is affirmed.

The Trade-Mark Reporter

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New York, March, 1912.

No. 3

UNITED STATES CIRCUIT COURT OF APPEALS

EDWARD HILKER MOP CO. v. UNITED STATES MOP CO., *et al.*

(191 Fed. Rep., 613.)

Sixth Circuit, November 7, 1911.

1. UNFAIR COMPETITION—IMITATION OF ADVERTISING.

The appropriation of cuts and expressions from complainant's advertisements in news and trade-papers directed to obtaining agents for the sale of its goods, when promptly accompanied with the name of the advertiser, is not unfair competition. The copying of complainant's circulars of instruction to agents involves no likelihood of deception to purchasers. Prospective purchasers are not likely to be deceived by the similarity in the arguments derived from the circulars and adduced by agents. Such acts do not, therefore, fall within the operation of the rule forbidding the sale of one man's goods as those of another.

2. UNFAIR COMPETITION—IMITATING APPEARANCE OF ARTICLE.

Similarity in the appearance of defendant's goods to those of the complainant, with respect to elements that are common to articles of that character, does not amount to unfair competition.

Appeal from the Circuit Court of the United States for the Northern District of Ohio. Decree for defendants affirmed.

Charles B. Gillson (*Gillson & Gillson*, on the brief), for appellant.

Wilbur A. Owen and *Robert H. Parkinson* (*Owen & Owen*, on the brief), for appellees.

Before WARRINGTON, KNAPPEN, and DENISON, Circuit Judges.

KNAPPEN, Circuit Judge. [After discussing the issue of patent infringement]—

The unfair trade complained of is alleged to consist, in part, in the use of advertising matter calculated to deceive. Complainant and its predecessors had been engaged in the manufacture and sale of mops a considerable time before the defendant and its predecessors entered the field. Both complainant and defendant sell their mops to agents, for whom they advertise in trade journals, newspapers, etc., and to whom they furnish printed circulars containing instructions and descriptive matter. The complainant in such advertisements and printed matter calls its mop the "Squeezie-Easy" mop. Defendant calls its mop the "Easy Wringer" mop. In both newspaper and trade journal advertisements defendant was, when the bill was filed, using pictures of the mop and employing expressions apparently copied from complainant's advertisements and circulars. Both parties, however, advertised prominently in their own names; their respective advertisements sometimes appearing upon a given page of the same journal. Such advertisements were not primarily intended to make sales to the ultimate purchaser, but to obtain agents, to whom other literature was sent in case of response to advertisements. The circulars sent defendant's agents were apparently copied, in substantial respects, from complainant's circulars to its agents. The similarity is such that, if intended or likely to be given to the ultimate purchaser, we should be disposed to hold that the ultimate purchaser who had seen complainant's circulars was likely to be deceived by defendant's circulars into purchasing in the belief that the goods were those of complainant's manufacture. But the nature of the circulars issued by both parties was such, containing as they did instructions to and a schedule of

large compensations paid agents, that it seems quite unlikely that they would naturally fall into the hands of the ultimate purchaser. It is urged that, as defendant's circulars furnish "talking points" identical in many respects with those in complainant's circulars to its agents, the prospective purchaser may well be deceived by the similarity of the arguments used by agents. It seems to us that this possibility is rather remote. The rule is well settled that nothing less than conduct tending to pass off one man's business or merchandise as that of another will constitute unfair competition. *Goodyear Company v. Goodyear Rubber Co.*, 128 U. S., 598, 604, 9 Sup. Ct., 166, 32 L. Ed., 535; *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S., 118, 140, 25 Sup. Ct., 609, 49 L. Ed., 972; *American Washboard Co. v. Saginaw Mfg. Co.* (C. C. A., 6), 103 Fed., 281, 43 C. C. A., 233; *Newcomer & Lewis v. Scriven* (C. C. A., 6), 168 Fed., 621, 94 C. C. A., 77; *Rathbone, Sard & Co. v. Champion Steel Range Co.* (C. C. A., 6), 189 Fed., 26, 30. [Reporter, Vol. I, p. 259.] We think a case of fraudulent competition is not so clearly made out as to justify us, in the face of the discontinuance of the alleged fraudulent competition since suit was begun (and the other considerations assigned by the Circuit Court), in reversing the decree in this respect. If the use of such advertising matter be continued or renewed, complainant should not be barred by this decree from seeking redress therefor.

Complaint is also made that defendant's mop (its only article of manufacture) is so similar in appearance to one of complainant's mops as to fraudulently deceive purchasers. The mop in question has galvanized iron handle extensions and bail, and a stamped galvanized iron head. The complainant's mop has the trade-name ("Squeezie-Easy" Mop), date of patent, and the name of "E. Hilker, Chicago, Ill.," prominently stamped on the metal head. The defendant's mop has its corporate name (but not trade-name) and the date of the Slusser patent, under which it claims the right to manufacture, plainly stamped on the head, but not so prominently as in the case of complainant's mop. In the samples before us the defendant's handle extensions, handle to crank-shaft, and spool on the handle are of the natural color, those on complainant's mop being painted or japanned black,

otherwise the superficial appearance of the two mops is substantially identical.

We pass by, without deciding, the claim of fact made by defendant that complainant had ceased manufacturing the mop in question when defendant began its manufacture. Complainant having no monopoly upon the design of the mop, defendant was free to copy it so long as it did not attempt thereby to palm off its goods as those of complainant, and took due care to guard against any deception of the public into buying in the belief that it is purchasing complainant's goods. The adoption by one manufacturer of the characteristic features of another's product, common to articles of that class, does not of itself amount to unfair competition. See *Rathbone, Sard & Co. v. Champion Steel Range Co.*, 189 Fed., at page 31 [Reporter, Vol. I, p. 266], where several authorities are collected. In the case last cited we referred to a line of authorities which hold that the unnecessary imitation by one manufacturer of the nonfunctional parts of the product of a competitor, to the extent that the two articles are substantially identical in appearance to a casual observer, and retail purchasers thus likely to mistake one for the other, amounts to unfair competition, although each feature taken separately may have been open to appropriation. We are not now called upon to determine the correctness of that rule. In the case before us the elements used by the defendant are of the natural color, or material purchasable in the open market as regular stock, and of a form naturally to be adopted for the purpose. Under all the circumstances, we do not think defendant's mop such an unnecessary imitation of complainant's mop, as respects nonfunctional parts or nonfunctional features of functional parts, as to bring it within the rule to which we have referred, even if such rule were to be adopted.

We are constrained to hold that fraudulent competition in the respect under consideration is not made out.

It results from these views that the decree of the Circuit Court should be affirmed, with costs.

[On the question of the imitation of advertising matter as unfair competition, see *Da Prato Statuary Company v. Giuliani Statuary Company*, Reporter, Vol. I, p. 292.]

POPE AUTOMATIC MERCHANDISING CO., *et al.* v. McCrum-
Howell Co.

(191 Fed. Rep., 979.)

Seventh Circuit, July 27, 1911.

UNFAIR COMPETITION—IMITATING APPEARANCE OF ARTICLE.

The use of the most efficient and economically manufactured form into which the mechanical elements of an article can be combined and the manufacture thereof from the metal best suited to the purpose do not amount to unfair competition, where the names of the several makers are plainly shown and the distinctive trade-marks are conspicuously placed.

Appeal from an order of the Circuit Court of the United States for the Eastern Division of the Northern District of Illinois, granting a preliminary injunction.

Frederick A. Brown, for appellants.

Hillary C. Messimer, for appellee.

Before GROSSCUP and BAKER, Circuit Judges, and SANBORN, District Judge.

BAKER, Circuit Judge.—By a preliminary injunctive order appellants are restrained from making and selling suction cleaners of a certain type. No patent for mechanism or process or product or design is involved. Nor is infringement of trade-marks or trade-names alleged. Unfair competition in trade is the sole basis of the case.

Appellee, prior to the bringing of this suit, was marketing a suction cleaner that bore a plate carrying the trade-name "Richmond" and the name and address of appellee as maker. At the same time appellants were putting out a cleaner of identical mechanical principles and arrangement of parts, of identical form, and of identical color. To appellant's cleaner was affixed a name-plate much larger than appellee's, as large as could well be attached, displaying conspicuously a red cross and the words in large capitals, "The Pope Electric Cleaner, Made by the Pope Co., Chicago, U. S. A."

Appellee was senior in the field; and the affidavits may warrant a conclusion that appellants deliberately copied the mechanism, form, and color of appellee's cleaner with a view of sharing in the trade built up by appellee's pushing of the "Richmond." As appellants' trade-mark, trade-name, and name and address of maker, were unmistakably distinguished from appellee's, infringement must rest upon appellee's exclusive right to the mechanics and the form and the color of its cleaner or one or more of them.

Mechanically the cleaner is this: At the bottom is a mouth-piece, to rest upon the carpet or other material to be cleaned. Next above the mouth-piece is a rotary fan, inclosed in the necessary casing. Just above the fan, and on the same perpendicular axis, is an electric motor in a ventilated casing. To the top of the motor casing a detachable handle is affixed at an angle of about 45 degrees from the perpendicular. In the fan casing is an opening around which one end of a cloth bag to receive the dust is fastened; the other end being attached to the handle; these parts, with the switch, socket, and cord for supplying current to the motor, making up a combination that has many advantages and that probably is the best mechanical arrangement for a vacuum cleaner that is to be carried about as a single tool. But in the absence of a patent this particular combination must be viewed as the culmination of a mechanical evolution, to the equal benefits of which all society is entitled. Indeed, appellee does not deny appellants' right to use the exact combination if they had given the fan and motor casings and other exterior parts different form and color.

In form the mouth-piece is common and old, antedating appellee. To be efficient, the inner surface of the fan casing has to be cylindrical. If the casing is to be cut from metal of even thickness, as it comes in sheets, the outer surface, too, can not be other than cylindrical. As the motor is of less diameter than the fan (from proper mechanical relations of power), the motor casing naturally (from motives of economy in materials and labor) is a smaller cylinder. The ventilating opening in the motor case, the dust opening in the fan case, the handle, the bag, the electric connections, are all either in their inevitable or best possible mechanical locations. In short, appellee uses the most efficient and

most economically manufactured form into which the mechanical combination can probably be embodied. Not a line, nor a curve, not a mark, not a bit of superfluous material, for embellishment or distinction. Nothing but the name-plate. If appellants should be required to give a square or hexagonal or other than cylindrical form to the outer surface of the casings, considerations of cost of the superfluous material and labor might prevent them from competing with appellee in the manufacture and sale of a mechanism that was equally open to both. In the *Singer Case*, 163 U. S., 169, 16 Sup. Ct., 1002, 41 L. Ed., 118, the Supreme Court held that at the expiration of a machine patent the utilitarian form in which the patentee had embodied his mechanical combination also became public property. No difference in principle is perceived between a machine that after a period of 17 years becomes free for common use and one that has been such all the time.

Aluminum is the metal used. Its advantages in strength, in durability, in lightness of weight, and in freedom from tarnish have led to its adoption for various utensils and tools. Appellee can have no monopoly of its use of this tool. In both cleaners the metal is unpainted. If appellants should be compelled to paint their cleaner a distinctive color, they would increase their manufacturing cost and would also lose one of the main advantages of a metal that was as open to them as to appellee and that was as obviously the best as a material as the cylinder was as a form.

Development in a useful art is ordinarily toward effectiveness of operation and simplicity of form. Carriages, bicycles, automobiles, and many other things from diversity have approached uniformity through the utilitarian impulse. If one manufacturer should make an advance in effectiveness of operation, or in simplicity of form, or in utility of color; and if that advance did not entitle him to a monopoly by means of a machine or a process or a product or a design patent; and if by means of unfair trade suits he could shut out other manufacturers who plainly intended to share in the benefits of the unpatented utilities and in the trade that had been built up thereon, but who used on their products conspicuous name-plates containing unmistakably distinct trade-names, trade-marks, and names and addresses of makers, and in relation to whose products no instance of deception had occurred

—he would be given gratuitously a monopoly more effective than that of the unobtainable patent in the ratio of eternity to 17 years.

Order reversed, and cause remanded for further proceedings not inconsistent with this opinion.

[A decision of the Circuit Court of Appeals in the Eighth Circuit reversing an order granting a preliminary injunction upon practically the same state of facts was reported in the December issue (Reporter, Vol. I, p. 305).]

UNITED STATES CIRCUIT COURT

AULT & WIBORG CO. V. CHESHIRE, *et al.*

(191 Fed. Rep., 741.)

Southern District of Iowa, Central Division, July 21, 1911.

TRADE-MARK—DESCRIPTIVE TERM.

The term "No Wash-up," borrowed from the slang of printing offices, meaning that the washing of the rollers and plates on which the ink is used can be dispensed with, is descriptive when applied to a compound intended to be used for the removal of ink and to avoid the need of washing the presses. It can not, therefore, be appropriated exclusively by the maker of one preparation of this character. The use of the term on a competing preparation, clearly distinguishable from the former in odor, shape and style of can, labels, and marking can not be enjoined.

In Equity. On final hearing.

Walter F. Murray, for complainant.

Thomas A. Cheshire, for respondents.

SMITH MCPHERSON, District Judge.—This case is by a bill in equity, complainant being a corporation organized under the laws of the state of Ohio, and the defendants citizens of Iowa, and the jurisdictional amount is alleged. The action is of and concerning a compound for use upon printers' rolls, designated as "No Wash Up." It was designated by complainant as an arbitrary trade-mark for the compound, and the same has been used by complainant

since June, 1906. Complainant has extensively advertised the same, and the contention is that it is a valuable compound for such use, and largely sold upon the markets for such use, and is represented to be of great value. Defendants are using a compound known as "No Wash Up," and sold extensively in Iowa and elsewhere; the allegation being that complainant's compound is very valuable and of great practical use, and that defendants' compound is of inferior quality. An injunction against the defendants is prayed.

The real contention in the case is as to whether the designation "No Wash Up" is either a name, sign, symbol, or device, whether the same is used to identify the product, or whether the words "No Wash Up" are simply descriptive of the use of the product. Neither party has a registered trade-mark, and neither party has a copyright. Complainant contends that its product is placed in small cans, and that defendant's cans and labels closely resemble those of complainant, and that defendants' product is often sold to the public, deceiving the public, inducing purchasers to buy the inferior product of the defendants, making the public believe that defendants' product is that of complainant.

The evidence shows substantially the following as the facts: The words "wash up" are a slang expression of common and general use in printing offices, meaning that the rollers and plates, after use, must be washed; the ordinary means for so doing being by the use of kerosene and a cloth. The ink on the rollers becomes dry after a short time, making them unfit for use until cleaned; the cleaning of which is done with considerable labor. By the use of the product of either complainant or defendants, the cleaning with kerosene and cloth would be avoided. Complainant contends that the words "No Wash Up" would indicate a result, but that the expression would not indicate what it was, and that it would not indicate whether it was an ink which would not require washing, or whether it was a new process of printing, but only that the process of washing was to be obviated in some way; while the defendant contends that, the expression being in the language of the printing office, the words are descriptive of the product and the uses to which it would be put.

Each party refuses to disclose the component parts of their

respective compounds. But samples of each are in evidence, and it is conceded, as well it might be, that by the sense of smell complainant's compound is heavily impregnated with ether, while defendants' compound is heavily impregnated with oil of cloves. And by the sense of smell no one could be mistaken as to whose compound he was buying or using. Complainant's compound is sold in a cylindrically formed can, four inches in height and three inches in diameter, with a top opening for use, with a screw lid of about an inch in diameter. Defendants' product is sold in cans of dome or jug shape, minus the handle, with a like top, except that it is smaller and with a cork for a stopper.

The label on complainant's can is of an orange color, while the label on defendants' can is white paper. The label on complainant's can reads, "For Lithograph and Type Rollers. 'No WASH UP.' Made only by the Ault & Wiborg Co., Cincinnati, New York, Chicago, London, Eng., Mexico, D. F." Another part of the label reads: "'NO WASH UP' can be used on both Lithograph and Type Rollers"—followed by directions. On another part of the label is the English Lion holding a flag. Defendants' can is labeled: "For all lithographing and printing rollers. C. C. C. NO-WASH-UP SOLUTION Manufactured by CHESHIRE CHEMICAL COMPANY, Des Moines, Iowa, U. S. A. Used in all the leading pressrooms of America"—and with directions. The directions in both cases are substantially the same, namely, to apply a few drops upon the rollers or plate when quitting work, at noon or in the evening. The name on complainant's label is in quotation, "No Wash Up," and on defendants' without quotation marks.

The complainant has extensively advertised its products in magazines and periodicals taken by printers. Defendants do not advertise other than by sending samples out to printers over the country. Defendants send their product out in large quantities in a square can containing perhaps half a gallon. The evidence shows that the compounds of both the complainant and respondents are of practical use and of substantial benefit to the printers, saving much time and work in cleaning rollers and plates after use. But the evidence does not show which compound is the better, and with respect to the one which is the better the court makes no finding, as the evidence does not show. Com-

plainant's product sells for 75 cents per can, and defendants' at 50 cents; but neither label shows the price.

On the foregoing facts the complainant can not succeed, for obvious reasons, and because of well-known rules. The name is descriptive. The term "wash up" is the language of all printing offices. "No wash up" is the slang of the office, when the cleaning of the rollers and plates is sought to be avoided; and, being a descriptive term, that of itself will avoid the alleged cause of action of complainant.

But, going to the farthest extent that any court, English or American, has gone, complainant can not recover because of an entire failure to show that defendants are seeking to or do palm off their "wash" or cleaner as those of complainant. The odor or smell are so different that no one can be deceived. The size and shape of the can are wholly unlike. The labeling is not at all similar. The prices are different. The one advertises, and the other does not. The one is labeled as made at Des Moines, and the other at Cincinnati.

The only similarity is in the use, as to which complainant has no patent, and as of right should have no monopoly, and the other similarity is in name. As to that being descriptive, the evidence is scarcely in conflict; and, if it were, complainant furnishes the proof by labeling the words "No Wash Up" in quotation marks, thereby showing that the name is borrowed from some source.

The bill of complaint will be dismissed.

UNITED STATES DISTRICT COURT

L. E. WATERMAN COMPANY V. MODERN PEN CO.

Southern District of New York, January 25, 1912.

1. UNFAIR COMPETITION—PRIOR ADJUDICATION—ESTOPPEL.

The decree of an Italian court in a previous action between the parties involving the same issues can not be treated as an estoppel, so long as it is merely interlocutory.

2. UNFAIR COMPETITION—SALE OF TRADE-NAME.

The sale of a business with the trade-name used in connection there-

with carries the right to continue the use of such name, but in the absence of restrictive covenants to the contrary, such sale does not prevent the seller from engaging in a like business under his own name, and transferring by assignment a valid title to the use thereof.

3. UNFAIR COMPETITION—INTENT.

The intent in the adoption of a trade-name, to profit by the good will of another's business does not alter the character of the act, nor make a wrong of what would not otherwise be open to censure.

4. UNFAIR COMPETITION—LIMITATION ON USE OF TRADE-NAME.

The use of a trade-name which is in fact confused with that of another and older firm is not protected by the fact that the initials employed are not those of the earlier firm. On the facts *held* that the defendant should be obliged to add to its trade-name the phrase, "not connected with the original 'Waterman' pens."

For decision of the Circuit Court of Appeals, modifying and affirming an order for a preliminary injunction, see 183 Fed. Rep., 118.

Samuel S. Watson, for the complainant.

Alexander S. Bacon, for the defendant.

HAND, District Judge.—The Circuit Court of Appeals has decided that there should be no absolute injunction against the name, "A. A. Waterman and Company," on the showing made. (183 Fed Rep., 118.) It is not therefore necessary to consider the question whether under any circumstances the court should altogether forbid a man from using his surname in a given business, and whether there may be cases where no accompanying phrase can prevent the result that the business of the first in the field will suffer by the competition of the second. Certainly the general rule is that such damage as so arises the victim must bear as an incident of competition. Further, the decision upon the preliminary injunction determined that upon the proof there presented the agreement of June twelfth, 1905, upon which the defendant depends was not a mere sham, but was a reasonable part of the reorganization of the business of Frazer and Geyer Company, and it also determined that the old corporation of Frazer and Geyer Company with its attendant firm of A. A. Waterman and Company had Waterman's right to use his name in the business. The testimony upon the final hearing is conceded to be substantially like that in the affidavits with two ex-

ceptions, first, the decree of the Italian court in the suit of this complainant against the Chapmans and Cambrini, and second, the testimony of the assignment to Rhodes Lockwood of Waterman's business on February first, 1899.

The first question is therefore of the effect of the Italian decree. Regardless of what should be its scope, it does not make an estoppel at all, because it is not a final decree, and only such a decree effects an estoppel by our law, even in the case of a domestic judgment, *Brush Electric Co. vs. Western Electric Company*, 76 Fed. Rep., 761; *Ogden City vs. Weaver*, 108 Fed. Rep., 564; *Australian Knitting Co. vs. Cormly*, 138 Fed. Rep., 90; *Hills and Co. vs. Hoover*, 142 Fed. Rep., 904. It is true that the reason for this rule is not perfectly plain, but apparently it is that no judgment should be treated as an estoppel until the court that renders it has finally parted with control over the decision, per Lacombe, J., *Walter Baker and Co. vs. Sanders*, 80 Fed. Rep., 869, 890. Thus if a final decree be entered *pendente lite*, it is enough. *Bradley Mfg. Co. vs. Eagle Mfg. Co.*, 57 Fed. Rep., 980, and possibly, if appeal be taken, and the interlocutory judgment be affirmed, *Bissell Carpet Sweeper Co. vs. Goshen Sweeper Co.*, 72 Fed. Rep., 545. If the rule is to be taken literally, it is enough that the Italian decree is confessedly interlocutory; if, on the other hand, the rule means that any decree is a good estoppel if the court that rendered it, has finally parted with the power to revise it, then proof is lacking here, for the complainant must show that it is such a decree. The proof is silent upon that point. I do not forget that Accetta gave considerable testimony showing that so far as concerned the right to use the name, "Waterman," the decree was "final," but so it would be "final" *pro tanto* in this country. That only means, I take it, that the court has disposed of that part of the dispute, and is retaining the cause for the incidental assessment of damages. It does not mean, at least in the United States it would not mean, that the court did not still retain power to recall the decree, just as indeed it has power till the term be passed, even over a final decree. That the Italian court could not revise the decree is not even suggested in the testimony, the whole of which concerned quite a different matter, i. e. whether the decree was a mere preliminary application analagous to a

motion for a preliminary injunction, or whether it was the last action of the court necessary to a decision of the parties' rights. I have no doubt that the decree is the last judicial act necessary upon that branch of the case, but under our law that is not enough. I, therefore, lay aside the Italian judgment.

The remaining question is whether the new testimony of the assignment to Rhodes Lockwood affects the defendant's right to the use of the name, "A. A. Waterman and Company." In 1897 Waterman left the complainant's employ and soon after formed a partnership with one Gibson. They did business under the name of the "A. A. Waterman Pen Company" and "A. A. Waterman and Company." On September third, 1898, the complainant procured an injunction against the use of the first of these names but not the second. The firm at about this time entered into a somewhat vague relation with one Rhodes Lockwood, a pen dealer, and, eventually becoming financially embarrassed, they assigned the whole business, good will and name included, to Lockwood, to whom they were heavily indebted. Gibson became Lockwood's employee, and Waterman continued in a small way in business for himself under the name of "A. A. Waterman, Maker," from February, 1899, to June, 1899, when he took into partnership one Dewey, with whom he continued to do business as "A. A. Waterman and Company" for about eighteen months, until the partnership of Frazer and Geyer. As the assignment to Lockwood of February first, 1899, is lost, just what he got is uncertain; still he never attempted to use the name, "A. A. Waterman and Company," except upon pens or parts of pens which were already partly made on the day of the assignment. In short he used his rights only to finish up the goods which he bought. Furthermore, he knew that Waterman was making pens under his own name, and actually supplied him with pens so marked. Thus it appears that, whatever the exact words of the lost agreement, the parties treated it as in no sense giving Lockwood an exclusive right to use Waterman's name. I can only treat it as in fact giving such rights as the parties eventually accorded each other. Waterman continued the partnership with Dewey until January, 1901, and there is no suggestion in the record that during that time they did not do a real business under the name "A. A. Waterman and Com-

pany," making it prosper as much as they could. Now so far as Lockwood is concerned, Waterman, who certainly had the right to use his name, could have given another as good a right to use the name as he had himself, as an incident of the sale of the business. When a business is sold with its old name, the right to keep on using it is perfectly well established, though the significance of the continued use of the name must perhaps be stated in rather general language, *Kidd vs. Johnson*, 100 U. S., 617, 620. It is basis enough for some recognition of the right to continue the use of the name that the public believes that, though a business changes hands, there may be a continuity of the old habits, a likelihood of persistence in fair dealing, or in the same good standard of wares, which gives assurance to them, and is of value to its possessor. Perhaps the value comes from a tacit recognition of the inertia of original honest practices; perhaps, like "good will" it arises from the mere suggestability of new customers and the fixed habits of old, who will buy upon a well-known name without more; but, whatever it be, the name does truthfully indicate some continuity and that is not a deceit, though the actual person is gone whose name appears, and whose personality originated the very qualities which make the succession of value.

This being the case, a name is not something to be sold once, and the title then to be exhausted. All that can be sold is the right to designate the continued business as in fact the same, and I confess I do not see why in the absence of covenants to the contrary, which it is true are generally implied, A. may not engage in the same business in his own name as that which he has already sold to B. and which B. continues to conduct under A's name. But if A. may start up a second business surely he may sell it, as he might sell his first, and with it the right to keep his name which indicates that it is the same business. The new business which Waterman had started had its own customers, its own reputation, its own methods of business, and the only name which that business had after June, 1899, was "A. A. Waterman and Company." *De facto*, it did have a name then; *de jure* no one could gainsay it. It is irrelevant that there was another business still incompletely wound up even though Waterman had been one of its founders.

Moreover, if Waterman had sold out his business direct to

the corporation of Frazer and Geyer Company they would have had the right to use the name upon the pens; indeed, upon purchasing the business they might have made that their own name, *Howe Scale Co. vs. Wyckoff, Seamans and Benedict*, 198 U. S., 118. It is of no consequence whether the assignee of an existing business is a corporation, a firm or an individual. Therefore, it is equally of no consequence whether the firm of Frazer, Geyer and Waterman was a mere subterfuge or not. At least, if it were not a real firm, that was because Waterman had sold out his business to the corporation and gone into its employ, and that he might do, and they might use his name. At most all that the law forbids is that a corporation at the outset choose a name which imitates another's name. Once a *bona fide* business be started, another may buy it up and develop it as they can, just as a special partner might give it capital to develop it.

In the case at bar it does not seem to me to be open to any doubt that the whole purchase of Waterman's business and the preservation of the firm name had for its only motive the expectation that the Frazer and Geyer Company could by the resulting confusion pass off its goods under the cover of the complainant's reputation. My reasons for this are first Waterman's own very frank statement that throughout his connection with the enterprise the only serious inducement he could offer was the use of his name. Indeed, no other reason is suggested which could serve as any inducement to coalition with a man in Waterman's position at that time, one who had failed within two years, and since his assignment to meet his debts, had been doing a small business in a town two hundred and fifty miles away, which came into no competition with the Frazer and Geyer Company and brought nothing to its business. Again, the obviously colorable character of all the contracts with Waterman show that they valued him chiefly for the right they got to use his name. At no time had he any substantial powers as a partner, and after December twelfth, 1901, he had no rights to any profits or anything more than a salesman's salary or a salesman's commissions. The elaborate efforts to keep up the formal appearance of a real firm with actual business connections with the real enterprise show that the parties thought that they could not avow what was their real intention

and the same effects emphasize what that real intention was; especially is this true when one contrasts the formal relations with the fact that neither firm ever did anything actually but keep a spurious existence upon its books. Surely the chief inducement to combine with Waterman was to get the use of his name. However, I do not think that this is in the least degree relevant to the rights which the Frazer and Geyer Company got by the transfer, for the question is of the effect of the competition, not its purpose or motive. Whatever part motive may play, and may be destined to play, in the law of torts, I know of no instance in which the legality of an act depends upon the actor's motives where those motives include his hope of personal gain. Motive has a just share in determining whether a man is in fact pursuing his genuine interests and whether he is therefore acting on his "rights," but when each party is obviously trying to increase his property, his estate, his "*universitas*," the mutual limitations of activity between them do not depend upon the motive, so far as I know, but upon the means they use to effect their intentions and the results that ensue. Once it be conceded here that Waterman might, in ignorance of the complainant's business, have stated a business under the name of "A. A. Waterman and Company" and after learning the facts have developed it as he could, I think his rights are not different because he knew from the outset that a part of his profits, if successful, would be at the complainant's expense and through confusion with the complainant's wares, as I have no doubt he did think. If his only motive were to damage the complainants the result might be quite different; so also if his only motive were to sell out as a blackmailer. Moreover if the defendant and its predecessors could have bought innocently, they could have bought with a deliberate purpose of profiting at the complainant's expense. Such consequences are involved in the right to use the name and sell the business with the name.

However, it does not follow that the right to use the name "A. A. Waterman and Company," is not subject to limitations. The record is full of evidence of the constant confusion which results from it, and since as usual, the defendant extols its own wares and decries the complainant's there ought to be no ground

for protest at any measures designed to avoid a confusion which must be disastrous to the defendant's reputation and its trade. It should welcome anything, which, while it preserves its own chosen title in full, will serve to advise the public that they must not confound its superior goods with the complainant's. If it urges its superiority in good faith, the suffix which I shall suggest should be interpreted, at least by a buyer experienced in the business, as a voluntary disclaimer of an association disastrous to the manufacturer and deceitful to the public. There is plenty of authority for an injunction in this form. *Singer Mfg. Co. vs. June Mfg. Co.* 163 U. S., 169, 200, 204; *Herring, etc. Safe Co. v. Hall's Safe Co.* 208 U. S., 554; *American Waltham Watch Co. vs. U. S. Watch Co.*, 173 Mass., 85; *Walter Baker and Co. vs. Sanders*, 80 Fed. Rep., 889; *Dr. A. Read Cushion Shoe Co. vs. Frew*, 162 Fed. Rep., 887.

I do not interpret the opinion of the Circuit Court of Appeals as meaning to control the final form of any decree which should pass, but only as deciding that there could be no decree absolutely prohibiting the use of the name, "A. A. Waterman and Company." That court certainly meant to leave the general question of what relief might be granted, to the testimony which might develop upon the trial of the cause. Now it is perfectly plain to any candid person that the ordinary buyer pays little attention to such prefixes as "L. E." and "A. A.," an inattention upon which it is quite clear to me the defendant's purchase of the name depended. Dealers will of course know the difference very well, but they are privy to the fraud. It is the form in which the wares come to the final buyer that counts, and while the defendant is not responsible for the spontaneous representation of dealers, it must not so mark or dress its goods as to create or aid in, any misapprehension by the buyers, *Florence Mfg. Co. vs. J. G. Dowd and Co.*, 178 Fed. Rep., 73, 75; *National Biscuit Company vs. Baker*, 95 Fed. Rep., 135.

The public means by the "Waterman" pen the complainant's pen; indeed, so the defendant concedes, being punctilious to avoid that name without its prefix. But the public by that very fact looks no further than the name. For myself, although I have used such pens for years, I am sure that I should not have had

the least suspicion but that an "A. A. Waterman" pen was a "Waterman" pen, and this record proves that many others have actually been so misled. Honest competition can not exist until the defendant puts on its pens that they are not the original "Waterman" Pens, which they are not. Therefore, a decree will pass forbidding the use of "Ideal," of "Waterman" and of "A. A. Waterman and Company" except in connection with the following phrase or its equivalent, all words to be written in letters of the same size, "not connected with the original 'Waterman' pens," *Dr. A. Reed Cushion Shoe Co. vs. Frew, supra*. The complainant may have its costs except the expense of printing its brief; I know of no way of discouraging the printing of such unnecessarily long briefs as both sides present in this case except by refusing to allow them in the costs.

[A suit by the firm of A. A. Waterman & Co., of which the Modern Pen Company is a selling agent, against the plaintiff in this suit, now pending in the New York Supreme Court, seeks to restrain the latter from bringing suits against the agents and customers of the firm above named, to restrain passing off, by the misuse of the name "Waterman." A demurrer to the defendant's answer and counterclaim was overruled by the Special Term in March last. The answer justified the suits, the bringing of which it was desired to enjoin, by charging fraudulent substitution of the A. A. Waterman goods in the place of those of L. E. Waterman Company and alleging that the plaintiffs therein were using the name A. A. Waterman & Co., as a cloak under which to pass off their goods as those of their better known rival. *Chapman v. L. E. Waterman Company*, N. Y. Law Journal, March 11, 1911.]

NEW YORK COURT OF APPEALS

UNITED STATES FRAME AND PICTURE COMPANY V. CHARLES S.
HORROWITZ

(204 N. Y., No. 74, memo.)

February 2, 1912.

UNFAIR COMPETITION—TRADE-NAME.

The plaintiff *held* not entitled to restrain the use of the trade-name, "New York Frame & Picture Co.," or "N. Y. Frame & Picture Co."

Appeal from a judgment of the Appellate Division of the Supreme Court, first department, affirming a judgment of the Special Term, denying the prayer of the plaintiff in the particular above indicated, and from which the plaintiff appealed.

For the facts and the opinions below, see 51 Misc., 101; 139 App. Div., 895.

Leslie S. Lockhart, for appellant.

Nathan Burkan, for respondent.

Judgment affirmed, with costs; no opinion.

Concur: CULLEN, Ch. J., GRAY, HAIGHT, VANN, WERNER, HISCOCK and COLLIN, JJ.

COURT OF ERRORS AND APPEALS OF NEW JERSEY

TAYLOR PROVISION COMPANY V. EDWARDS.

(81 Atlantic Reporter, 1120.)

November 20, 1911.

1. UNFAIR COMPETITION—THE WORD "STYLE" AS A MEANS OF IMITATION.

The use of the term "Trenton Style Pork Roll" with labels in imitation of those used on plaintiff's "Trenton Pork Roll" is unfair competition and should be enjoined.

2. DESCRIPTIVE TERM—LENGTH OF USE REQUIRED FOR PROTECTION.

There is no fixed time during which a brand, descriptive in character, must be used to become entitled to protection. The question of time is always to be considered in connection with the facts of any given case. A simulation of a newly adopted brand for an old and familiar product, *held* properly enjoined.

Appeal from Court of Chancery.

The following are the opinions of Walker, V. C., in the court below:

"On Application for Preliminary Injunction.

"My examination of this matter has led me to the conclusion that the

complainant is entitled to a preliminary injunction according to the prayer of its supplemental bill.

"The defendant was restrained by preliminary injunction issued on the original bill, and was ordered to desist from selling and advertising his food product as 'Rolled Pork,' in a style and manner similar to the labeling of the packages containing the complainant's product. After the issuance of the injunction the complainant put a new brand on the market, and labeled it 'Trenton Pork Roll.' The defendant, within two weeks after the complainant's new brand appeared, put out a new brand himself, which he labeled 'Trenton Style Pork Roll.' He claims not to have copied the complainant's label, but that he has closely copied it seems too plain for argument. He may have thought that by labeling his packages 'Trenton Style Pork Roll' he had closely enough copied 'Trenton Pork Roll' to deceive the public into the belief that his goods were those of the complainant, but by the use of the word 'style' had sufficiently departed from the complainant's label so as not to bring himself within the ban of the law. But in this he is, to say the least, mistaken. The adjudications are clearly against him. In many instances in which injunctions have gone to restrain unfair competition, the dissimilarity in names and style of advertising have been far greater than in the case at bar. The matter now under consideration is not one in which the complainant has put an entirely new article upon the market, with a distinctive label, but one in which he has simply put out a new brand under a label corresponding with that which he has used for years, with a proper and apt word to distinguish it from the older and original brand which the defendant has already been enjoined from imitating. There is no arbitrary period during and over which a brand must be sold and advertised to entitle the complainant to an injunction against imitators, but the question of time is always one to be considered in connection with all the facts of a given case; and in this case, as the label under consideration is only an appropriate label for a new brand of an old article, its piracy must be restrained.

"On Final Hearing on Pleadings and Proofs.

"My examination of this case has led me to the conclusion that the complainant is entitled to a permanent injunction against the defendant in the combined form of the preliminary injunctions heretofore issued in this cause, one on the original bill, and the other on the supplemental bill.

"The following cases are particularly apposite, and, in my judgment, sustain the complainant's position: *American, etc., Watch Co. v. U. S. Watch Co.*, 173 Mass., 85, 53 N. E., 141, 43 L. R. A., 826, 73 Am. St. Rep., 263; *Florence Mfg. Co. v. J. C. Dowd & Co.*, 178 Fed., 73, 101 C. C. A., 565; *William Wrigley, Jr., & Co. v. Grove Company*, U. S. Circuit Court, Southern District of New York, April 22, 1910, affirmed with modification; s. c., U. S. Circuit Court of Appeals, Second Circuit, 183 Fed., 99, 105 C. C. A., 391.

"The doctrine that a trader is to be protected from unfair competition is one which fully obtains in this state, and it is upon this principle, and not for the protection of a registered trade-mark, that the injunction will go in this case.

"Although the complainant may not have been in the market with its brand, labeled 'pork roll,' for a sufficient length of time, if at all, before the defendant marketed his product as 'rolled pork' to entitle it to enjoin the defendant for that reason, nevertheless the proofs show that the complainant had established a reputation for its 'prepared ham' for years

before the defendant entered the trade; and therefore, when the complainant was obliged to change the name of its brand from 'prepared ham' to something else, under the federal pure food law, such change was equivalent to putting out a new brand, concerning which the trader is entitled to be protected from simulation by another dealer. *Florence Mfg. Co. v. J. C. Dowd & Co., supra*, at page 75 of 178 Fed.

"The complainant is entitled to costs."

Linton Satterthwait, for appellant.

Scott Scammell, for respondent.

PER CURIAM.—The decree appealed from will be affirmed for the reasons stated in the opinion filed in the court below by Vice Chancellor Walker.

THE COMMISSIONER OF PATENTS

IVAN B. NORDHEM CO. v. CHRIS F. FRERICHS & CO.

(102 Ms. Dec., 188.)

July 20, 1911.

1. REGISTRABILITY—CONFLICTING MARKS.

A trade-mark consisting of the representation of a top, for bread, conflicts with another mark for the same goods consisting of the word "Tip-Top."

Any doubt on the point is dispelled by the fact that the former mark was adopted with full knowledge of the prior use of the other and that in the advertising of the goods sold under the latter brand, the picture of a top and boy spinning tops had been widely used.

2. TRADE-MARK—RIGHT TO LICENSE USE.

The owner of a trade-mark for bread made under a secret formula licensed bakers in various parts of the country to make bread according to the formula and to sell it under the mark. The licensor made and sold no bread, but employed bakers to instruct the licensees in the making thereof, fixed the standard of weight and quality, the manner of labeling and wrapping the bread, and reserved the right to inspect the product of each licensed bakery and to revoke the license if the product fell short of the standard set. *Held*, that this was a legitimate use of the trade-mark and did not in any way impair the right of the owner in or to the trade-mark.

Mr. R. T. M. McCready, for Ivan B. Nordhem Co.

Messrs. Munn & Co., for Chris F. Frerichs & Co.

TENNANT, Assistant Commissioner.—This is an appeal from a decision of the examiner of interferences sustaining the notice of opposition filed by the Ivan B. Nordhem against the registration by Chris F. Frerichs & Co., of the representation of a top as a trade-mark for bread.

It is asserted in the notice of opposition that the Ivan B. Nordhem Company is the owner by assignment from George S. Ward of the trade-mark "Tip Top" as applied to bread made under a secret formula and method which was originated by said Ward; that the trade-mark which was registered in the United States Patent Office by said Ward on February 13, 1906, No. 49,697, was transferred by Ward to the opposer together with the good will of the business on or about September 1, 1908, and that since that time Ivan B. Nordhem Company has advertised it very extensively throughout the United States in an endeavor to standardize throughout the United States a certain loaf of bread of high quality made by said secret formula. It is also alleged that the Chris. F. Frerichs & Co., well knowing the things hereinbefore set forth, adopted as a trade-mark the figure of a top, in order to use it for the purpose of competing with the said "Tip Top" trade-mark, and that in view of these facts the opposer believes he will be damaged. The allegations of the notice of opposition are categorically denied by Chris. F. Frerichs & Co.

The Ivan B. Nordhem Company present the testimony of George S. Ward, the assignor above referred to, John W. Tolley, a baker who was in 1905 associated with Ward, and that of Ivan B. Nordhem, the Vice President of the Ivan B. Nordhem Company.

It appears from the testimony of these witnesses that in March or April 1905, Ward in conjunction with Tolley developed the formula and method of making a bread of certain peculiar qualities, and that this bread was labelled and sold with the trade-mark "Tip Top." The trade-mark was registered by Ward on February 13, 1906. On or about September 1, 1908, Ward assigned the registered trade-mark together with the good will of his business to the Ivan B. Nordhem Company. This transfer was made by an oral agreement at the time, but was subsequently ratified by a written assignment, dated April 20, 1910, which was

offered in evidence as Exhibit No. 1. By the terms of this written instrument, George S. Ward ratifies and confirms the assignment and transfer to the Ivan B. Nordhem Company of the trade-mark "Tip Top" United States Registration No. 49,697, together with the good will of the business in which said trade-mark was used. It further recites that said Ward has as aforesaid "sold, assigned, transferred and set over unto the said Ivan B. Nordhem Company, said trade-mark and the good will of the business."

It appears that after the oral assignment above referred to, the Ivan B. Nordhem Company began the advertisement of the scheme of standardization of this particular kind of bread made under the secret formula which had been assigned to it by Ward. Licenses were granted to bakeries in many cities throughout the United States authorizing them to use the secret formula aforesaid and also to mark the bread produced under such secret formula with the trade-mark "Tip Top." Under the terms of the licenses the Ivan B. Nordhem Company required that the bread produced by the licensees under this formula should be kept up to a certain standard and reserved the right to send representatives from time to time to examine such bread. The Ivan B. Nordhem Company employed bakers to call upon the different licensees to instruct them in such secret process and also to inspect the bread manufactured by them.

It appears from the stipulation of the parties which is filed in lieu of testimony by Chris. F. Frerichs & Co., that:

"The said Ivan B. Nordhem Company does not and has not owned or operated any bakeries of its own, and said Ivan B. Nordhem Co. does not and has not of itself manufactured or sold any bread on the market, but that said Ivan B. Nordhem Company does employ bakers who bake for the said Ivan B. Nordhem Company in bakeries owned by others, which bread is distributed by said Nordhem as samples; that said Ivan B. Nordhem Company licenses bakers throughout the country to manufacture bread under the formula and method devised by said Ward, giving different manufacturers an exclusive right to a limited and defined territory; that the said Ivan B. Nordhem Company employs bakers to call upon the different licensees of the Nordhem Company to inspect the bread manufactured by the different bakers, for the purpose of ascertaining whether or not said bread is properly produced and made in accordance with the formula under which said bakers are licensed by said Ivan B. Nordhem Company."

It is contended in behalf of the appellant, first, that there is no such similarity between the marks of the applicant and that of the opposer as to be likely to cause confusion in the trade, and second that the Ivan B. Nordhem Company is a mere holding Company which can not acquire a property in a trade-mark and license the trade-mark out to different manufacturers or dealers.

The record of this proceeding shows that upon the filing of the notice of opposition the applicant filed a demurrer based upon the ground that the mark of the applicant and the opposers were not so similar as to be likely to cause confusion in trade. In overruling this demurrer, the examiner of interferences said:

"There can be no doubt that the word 'Tip Top' alone and the picture of a top interfere. There is doubt whether the addition of the word 'Tip' to the word 'Top' does not so change the meaning of the mark as a whole as to negative any conflict. In case of doubt, however, a finding that there is no conflict should not be made upon demurrer. A stronger reason still for resolving the doubt here against the applicant is found in the fact that the notice of opposition alleges adoption by the applicant of the picture of a top with full knowledge that the opposer had made the words 'Tip Top' a valuable trade-mark for bread."

The testimony shows that in February 1909, Chris F. Frerichs & Co. wrote to the Ivan B. Nordhem Company as follows:

"Seeing your advertising in the Bakers Weekly about your Tip Top Bread, please send us further information."

On February 5, 1909, the Ivan B. Nordhem Company replied refusing to consider the application of Chris. F. Frerichs & Co. for information upon the ground that arrangements had been made with others for the "Tip Top" campaign for New York City and surroundings. This occurred prior to the date of adoption and was alleged in the application for registration of Chris. F. Frerichs & Co., which is April 1, 1909.

It appears from the testimony that in advertising the "Tip Top" Bread toy spinning tops made of metal and bearing the name "Tip Top" Bread had been distributed by the Ivan B. Nordhem Company as advertisements as early as 1906, (N. Q. 94 to 101); and further that the picture of a top had also been used in advertising the "Tip Top" Bread, (Q. 103 & 104).

I am clearly of the opinion that the concurrent use of the words "Tip Top" and the representation of a top upon goods of the same descriptive character would be likely to cause confusion in the mind of the public. If there is any doubt in my mind as to this fact, it would have been dispelled by the testimony showing the manner of advertising used by the opposer.

The contention raised that the Ivan B. Nordhem Company is only a holding company which can not acquire property in a trade-mark and license the trade-mark out to different manufacturers or dealers is believed to be not well founded.

The trade-mark "Tip Top" was originally adopted by George S. Ward, and the testimony clearly shows that the same was actually applied to bread manufactured under his secret formula and sold by him. This trade-mark together with the good will of his business was subsequently assigned to the Ivan B. Nordhem Company and that Company thereby acquired the right not only to use the secret formula but to use the trade-mark in connection with bread made by that formula. Instead, however, of manufacturing and selling the goods, the Ivan B. Nordhem Company acted as an advertising company. According to the stipulation above quoted, bread was made by its bakers, in bakeries owned by others, for the Ivan B. Nordhem Company, which bread was distributed by said company as samples. The Nordhem Company reserved the right to control the advertising matter, labels, wrappers, etc., used in connection with the sale of "Tip Top" Bread. They prescribed that the bread should be made under the formula aforesaid in pans supplied by it and that all loaves must be of uniform quality and of a fixed standard, the loaves to be of equal weight to all other loaves that the licensee puts upon the market at the same price.

The right was also reserved to examine loaves made by the licensee for the "purpose of comparison and criticism" and the licensee agreed to immediately "correct and remedy any fault in size, shape, color or quality upon notice from the party of the first part."

In my opinion it is clear from the terms of the contract that these licenses did not divest the Ivan B. Nordhem Company of the trade-mark rights acquired from George S. Ward, nor does

the fact that no bread is manufactured or sold directly by the Ivan B. Nordhem Company modify this conclusion.

The control of the sale and the manufacture of bread bearing this trade-mark is in the hands of the Ivan B. Nordhem Company and the standard of bread manufactured by the licensees is controlled by it also. In this respect the facts in this case are similar to those which obtain in *Mathy v. The Republic Metalware Company*, 154 O. G., 1109; 35 App. D. C., 151. In that case The Republic Metalware Company was licensed by Mathy to manufacture roasters under a certain patent, such roasters having been originally sold by Mathy under the name "Savory." After obtaining its license The Republic Metalware Company continued to sell the roasters under the name "Savory." The court held that this fact did not deprive Mathy of his trade-mark right, stating in part as follows:

"Appellee, under its contract with appellant, agreed to pay him, in return, for the privilege of making and vending, certain royalties on the articles sold. It was therefore to appellant's interest to use every means in his power to increase the sale of the patented articles and to make them popular with the trade. His roasters had become known by means of his mark, and it was but natural for him to desire that they continue to be so designated. That he found it more advantageous to purchase the articles from appellee company than to manufacture them himself, can not destroy the right he had already acquired. His interest simply demanded that pans be placed on the market manufactured under his patent and designated by his mark. This, with appellant's consent and approval, the appellee company was doing. The invention was being offered to the public in the manner originally adopted by appellant, and the manner he would have the right to use should he desire to manufacture after the patent had expired, or to the extent permitted under the contract, or in case the license was revoked as provided therein. His interests were so closely connected with those of the appellee that he was actively engaged in assisting that company, even to the extent of advertising the "Savory" roasters. In no sense do we think that the contract with appellee can be construed as an assignment of the patent or as an abandonment by appellant of his right to claim the trade-mark adopted by him long prior to the date of the contract."

In the present case Nordhem Company, like Mathy, has found it more advantageous to have the bread manufactured and sold through the licensees than to manufacture the goods in bakeries of its own. Otherwise, the control over the manufacture of the bread as to quality, size and style is complete. There can not therefore, in my mind, be any question that the Ivan B. Nord-

hem Company is the owner of the trade-mark. The fact that the Ivan B. Nordhem Company licensed bakers in a number of cities to use its trade-mark under the conditions above specified, is clearly not sufficient to defeat the trade-mark right of the Ivan B. Nordhem Company.

The appellant has cited the case of *Jaeger's Sanitary Woolen System Co. v. Le Boutillier*, 47 Hun. 521. In that case, however, the complainant endeavored to enjoin the use of a trade-mark applied to a system. The court said:

"In the case at bar, the plaintiff claims its right to the use of this so-called trade-mark because of a concession made by Prof. Jaeger, in May, 1886. The difficulty, however, which the plaintiff necessarily encounters, is the fact that there is nothing to show that Prof. Jaeger had ever acquired a proprietary right in the words the use of which was sought to be enjoined as trade-marks. It does not appear that he had ever manufactured any of these goods; neither does it appear that he has been the vendor of such goods having attached thereto these words. But it seems to be assumed that, because he is the inventor of the system, he has, therefore, the right to make concessions of the use of the words which he has employed to designate his particular system. Such a condition of affairs in no way conferred upon Prof. Jaeger any proprietary right, as he has not been engaged in trade, and has, therefore, been unable to acquire any proprietary right in a trade-mark."

In the present case it is clearly shown that the Ivan B. Nordhem Company acquired a property right in a trade-mark which had been used for many years by its predecessor in business. Not only is the particular process used by the licensees of the Nordhem Company, but the quality and character of the merchandise produced by these companies is under the control of the Ivan B. Nordhem Company. In thus causing the goods and the licensees to conform to a certain standard of excellence which was advertised to the public, the Ivan B. Nordhem Company, in my opinion, fulfilled the essential requirements of a trade-mark use. It is well settled that not only may trade-marks be adopted by manufacturers but also by dealers and distributors, the functions of such trade-mark in the latter case being to indicate the goods selected by the proprietors of the trade-mark.

Paul in his work on trade-marks, says:

"It is the leading principle of the law of trade-marks that the manufacturer or merchant who has produced or brought into market an article of use or consumption that has found favor with the public, and who, by

affixing to it some name, device, or symbol which serves to distinguish it from all others, has furnished his individual guaranty of its value, shall receive the reward of his skill, and shall not be deprived thereof by infringement or imitation." (Section 9.)

In view of the facts above stated I am clearly of the opinion that the opposer, Ivan B. Nordhem Company, would be likely to be damaged by the concurrent use of the alleged trade-mark of the applicant which it is sought to register.

It is held that the decision of the examiner of interferences sustaining notice of opposition and adjudging that Chris. F. Frerichs & Co. is not entitled to the registration for which it has made application is right and is accordingly affirmed.

[A suit for infringement of the trade-mark here involved was brought against the Anthony Baking Company, who were engaged in the manufacture and sale of a bread under the name "Top Notch." To a complaint alleging substantially the facts set forth above, the defendant demurred on the ground that it did not state facts sufficient to constitute a cause of action. The New York Supreme Court at a Special Term, held in Monroe County, in March, 1910, overruled the demurrer. The case was afterward settled by the defendant's agreement to discontinue the use of its mark, and no further adjudication of the rights of the parties was had. The status of the Nordhem Company in the transaction does not appear to differ greatly from that of a dealer, the owner of a trade-mark, who has goods made for him or to his order, applying his trade-mark thereto, his part in the manufacture being confined to the inspection and approval of the finished product and the acceptance thereof for the purpose of his trade. *Shelly v. Sperry*, 99 Southwestern Rep., 488.]

On the question of the validity of a license to use a trade-mark on goods of the licensee, see *Krauss v. Joseph R. Peebles Sons Co.*, 58 Fed. Rep., 585; *Griggs Cooper & Co. v. Erie Preserving Co.*, 131 Id., 359; *Bloss v. Bloomer*, 23 Barbour (N. Y.) 604; *Samuel v. Berger*, 24 Id., 163; *Adam v. Folger*, 120 Fed. Rep., 260; *Hoffman v. Kuppenheimer & Co.*, 183 Fed. Rep., 597.]

EX PARTE, THE VI-STIX PRODUCTS COMPANY.

(175 O. G., 846.)

February 5, 1912.

OPPOSITION—AMENDMENT OF APPLICATION AFTER ADVERSE DECISION.

Where an opposition was filed to the registration of a mark on the ground that one of its features constituted the mark of the opposer and such opposition was decided adversely to the applicant, his application may thereafter be amended by omitting this feature, if the mark is not

thereby mutilated and upon the filing of an affidavit that the mark without this feature was actually used by the applicant as a trade-mark.

Mr. Vernon E. Hodges, for the applicant.

TENNANT, Assistant Commissioner.—This is a petition that the applicant be permitted to disclaim the representation of the cross-lines appearing in its mark and that the Examiner be instructed to pass the case to allowance.

It appears that an opposition was filed to the registration of this mark by Farwell and Phines on the ground that they were the owners of a registered trade-mark consisting of cross-lines and that the registration of applicant's mark would be likely to damage them. The opposition was not contested. Applicant filed a disclaimer of the right to the exclusive use of the cross-lines; but the Examiner of Interferences rendered judgment against it on the ground that it had filed neither plea, demurrer, or answer within the time set.

As pointed out by the Examiner of Trade-Marks, the relief asked for can not be granted, since an applicant can not disclaim an arbitrary and fanciful feature of a mark owned and registered by another. The Examiner suggests that the applicant might be permitted to remove the feature in question from the drawing. This could be done, however, only if the mark actually used by the applicant is not thereby mutilated and upon the filing by applicant of an affidavit that the mark without the representation of the cross-sticks was actually used by it as a trade-mark. (*Ex parte Wayne Poultry Tonic Company*, 164 O. G., 251.)

Jurisdiction of the application is therefore restored to the Examiner of Trade-Marks for further prosecution and for action in accordance with this decision.

JOHN F. JELKE CO. v. EMIL FLEISCHL & SON.

(176 O. G., 274.)

February 2, 1912.

GOODS OF THE SAME DESCRIPTIVE PROPERTIES—BUTTER AND OLEOMARGARIN

Butter and oleomargarin are goods of the same descriptive properties within the meaning of the Trade-Mark Act.

Messrs. Poole & Brown, for John F. Jelke Co.

Mr. F. T. F. Johnson, for Fleischl & Son.

BILLINGS, First Assistant Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to dissolve the interference upon a motion brought by Emil Fleischl & Son alleging that the mark used by the respective parties hereto is applied by them to goods of different descriptive properties. John F. Jelke Co., the junior party, also urge the dissolution.

It appears that the same mark is applied by one party to "Oleomargarin" and by the other to "Butter." It is the contention of both parties that the oleomargarin laws of August 2, 1886, (24 Stat., 209), October 1, 1890, (26 Stat., 621), and May 9, 1902, (32 Stat., 193), have created a commercially-distinct article of oleomargarin and that whatever may have been the case before such laws were passed butter and oleomargarin must now be considered goods of different descriptive properties within the meaning of the Trade-Mark Act. They call attention to the provisions of the law which require oleomargarin to be so labeled and sold that the possibility of its being palmed off on a purchaser for butter is reduced to a minimum.

These very provisions of the law, the object of which is to prevent confusion between butter and oleomargarin, are to my mind a reason against permitting the same mark to be applied by these parties to their respective goods rather than a reason for dissolving the interference and granting separate registrations to each of them. It is believed that the Patent Office should not lend itself to such a use of the right of registration.

It may be said further that, even assuming that the law has, as urged by appellant, thrown such restriction around the sale of oleomargarin that it is now easy for the purchaser to distinguish it from butter as found on the market, it does not follow from that alone that the goods are of different descriptive properties nor is the case of *The Muralo Co. v. National Lead Company*, (165 O. G., 475; 36 App. D. C., 541), cited by appellant, considered authority for such holding. That case involved the

question of similarity of marks as well as similarity of goods. A purchaser of the most limited intelligence would also be able to distinguish a pair of high patent-leather shoes from a pair of tan oxfords, and he could scarcely be induced to accept the one for the other by reason of any trade-mark they might bear. One is a substitute in use for the other in the same sense that butter and oleomargarin are substitutes for each other. Yet it would scarcely be contended by any one that these kinds of shoes are goods of different descriptive properties and that the Office might properly register the symbols "UNXLD" to one company as a trade-mark on high black shoes and the identical mark to another company for use on tan oxfords. To do so would obviously tend to defeat the very purpose for which trade-marks are used and in the interests of which they are registered—namely, to readily identify goods as those of a particular maker or those for which a certain person stands responsible.

The agreement of the parties to a dissolution can not be permitted to control where the Office is clearly of the opinion that the separate marks should not both be registered. In this case I am clearly of the opinion that the goods were properly held to be of the same descriptive properties.

The decision of the Examiner of Trade-Marks is affirmed.

DIGEST OF MANUSCRIPT DECISIONS

Descriptive Terms.

The words "Ground Gripper," as a trade-mark for boots and shoes and lasts for manufacturing same, are descriptive. A booklet on file with the application, entitled "The Ground Gripper" and setting forth the characteristics and advantages of the shoe to which this mark is alleged to be applied, clearly indicates the descriptive character of the term. It shows that the shoe is claimed to give the foot an exceptionally firm hold upon the ground and that the name is meant to so indicate. ⁽¹⁾

(1) Ex parte, E. W. Burt & Co., Inc., January 9, 1911.

The words "Orange Lily," for suppositories and other medicinal preparations, are either descriptive or deceptive and in either case are not registrable. Preparations containing orange extract and extract of pond lilies, or lilies-of-the-valley, are used in medicine. It can not, therefore, be claimed that the term in question is fanciful. ⁽¹⁾

The mark "Mello" for chewing gum is descriptive. It is a mere misspelling of the word "mellow" and indicates a desirable quality in chewing gum, to wit, that it is soft and not brittle or crumbling. The fact that the word has been previously registered as a trade-mark for crackers, wafers and biscuits is immaterial. The validity of that registration is not in question and the grant of such registration constitutes no reason for allowing the pending application. ⁽²⁾

The word "Evergreen," applied to canned fruits and vegetables, is descriptive. To the average purchaser, the word indicates that the goods are as nearly in a natural and fresh condition as it is possible to obtain them and that they will remain so. ⁽³⁾

The words "White Oak," on a shield shaped like an acorn, is a descriptive mark, when applied to boots and shoes. The words indicate that oak tanned leather is used in the manufacture of the shoes. ⁽⁴⁾

Non-Descriptive Terms.

The word "Wrightworth," applied to hoisting engines and traction hoisting drums, is purely arbitrary and not a descriptive term. The examiner held, that the applicant's mark was made up of the descriptive word "right" misspelled, or else of the surname "Wright," combined with the descriptive word "worth," that it was immaterial whether the first part of the mark was a

(1) Ex parte, Coomley Milling Co., May 16, 1911.

(2) Ex parte, Texas Gum Co., July 27, 1911.

(3) Brakley v. Sears & Nichols Co., September 30, 1911.

(4) Ex parte, American Hand Sewed Shoe Co., October 24, 1911.

misspelled descriptive word or a surname, since neither is registrable, and the combination of such a word with the clearly descriptive word "worth" does not constitute a valid trade-mark. The examiner also referred to decisions of the commissioner, that "Serveself" did not constitute a valid trade-mark for sandwiches and other similar articles and that the word "Autowear" was a misspelling of the phrase "ought to wear" and was descriptive as applied to hosiery. The present case is, however, clearly distinguishable from the cases cited, in that the combined word here sought to be registered has no meaning in or of itself. It is not believed that it would suggest to the ordinary purchaser a meaning equivalent to "Right Worthy" or "Worthy of Use" and, if not the name of an individual, it is purely an arbitrary word and entitled to registration. ⁽¹⁾

The word "Imperial" is not descriptive of the quality of flour, although remotely suggestive of superiority. Citing, *Raymond v. Royal Baking Powder Co.*, 85 Fed. Rep., 231; Distinguishing, *Bedleston & Woerz v. Cook Brewing Co.*, 74 Fed. Rep., 229, on the ground that the word "Imperial" in the latter case was used as a grade mark and not for purposes of distinction. ⁽²⁾

The word "Mother's," as a trade-mark for macaroni, spaghetti and vermicelli is not descriptive. The case is clearly distinguishable from those cited by the examiner as a ground for refusing registration. In *Ex parte, American Candy Co.*, 7 Ms. Dec., 236, the word "Grandma's" was refused registration upon the following grounds:

"Homemade candy was years ago known to nearly every household, often made from receipts which were handed down from one generation to another: and candy so made can truthfully be called 'Grandma's Candy.'"

In *Ex parte, Newton Steel Cut Milling Co.*, 67 Ms. Dec., 192, the word "Grandma's" was refused registration for cereal foods. In *Ex parte, E. A. Rice Co.*, 83 O. G., 1207, the words "Better Than Mother's" were held descriptive as applied to mince

(1) *Ex parte, William B. Hough Co.*, February 23, 1911.

(2) *Heath v. Duluth Superior Milling Co.*, May 3, 1911.

meat. This phrase is obviously intended to be descriptive and appeals to the mind instantly as being merely a catchy advertising expression. The word "Mother's" applied to macaroni is much more fanciful and significant and at most is only remotely laudatory of the goods. The applicant points out that the office has, since the decision, cited by the examiner, registered the words "Mama's" for pancake flour, No. 40928; "Mother," for crushed oats, No. 51059; "Mother's" for gelatine, No. 75508 and for corn meal, hominy, and hominy-grits, No. 75622. The refusal of the examiner to register the mark was, therefore, in error. ⁽¹⁾

The word "Fabrikoid" as a trade-mark for imitation leather is not properly refused registration. The termination "oid" means like or resembling, but the principle applied by the United States supreme court in the case of the *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 165 O. G., 971, refused registration to the word "Ruberoid" on the ground that it meant "similar to rubber" is not applicable in this instance. In the application of that principle, the word "Fabrikoid" would denote an imitation fabric and not an imitation leather. Analogy would be found if the word "Leatheroid" were sought to be registered for an imitation leather, which term would be plainly descriptive. The article to which the trade-mark is applied is a fabric, so coated as to have the appearance of leather. Moreover, the patent office has already held, that the mark is arbitrary in character by registering it to the predecessor of the applicant, for the same goods. The application must be allowed. ⁽²⁾

A mark for alimentary pastes, consisting of the representation of a saucepan nearly filled with liquid and resting upon the top of a stove, with a hand holding a box, the end of which is open and from which sticks of spaghetti or other goods are pouring into the liquid, is not so clearly descriptive as to be unregistrable. The mark may suggest that the goods are in a partly prepared condition and that the preparation may be completed by emptying

(1) Ex parte, Mother's Macaroni Co., August 7, 1911.

(2) Ex parte, E. I. du Pont de Nemours Powder Co., September 23, 1911.

the contents into boiling water, but that fact does not make the mark descriptive. ⁽¹⁾

The word "Caterpillar" is not descriptive of a self track-laying traction engine, which progresses by means of an endless link belt running around a pair of wheels on each side. The most that can be said, is that its movement has a certain fancied resemblance to that of the caterpillar and that the word is, therefore, slightly suggestive. The fact that the designation was immediately applied to the engine by those who saw it work is not decisive of its descriptive character. ⁽²⁾

The name "Hygeia" for coffee is not descriptive. Citing, *Consolidated Ice Co., v. Hygeia Distilled Water Co.*, 151 Fed. Rep., 10. ⁽³⁾

(1) Ex parte, Foulds Milling Co., September 26, 1911.

(2) Ex parte, Holt Mfg. Co., October 19, 1911.

(3) *Levering Coffee Co. v. Merchants Coffee Co.*, November 15, 1911.

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UNITED STATES CIRCUIT COURT OF APPEALS

WALTER BAKER & CO., LTD. v. GRAY, *et al.*

(192 Fed. Rep., 921.)

Eighth Circuit, November 24, 1911.

1. UNFAIR COMPETITION—USE OF SURNAME.

NO person can acquire an exclusive right to the use of his own surname, as against the right of others of the same name to make honest use thereof in the like business. Equity will, however, oblige the later user to avoid confusion by employing his name with some addition or explanation sufficient to indicate that his business is not that of the first comer.

2. UNFAIR COMPETITION—DUTY OF DEALER IN GOODS KNOWN BY SURNAME.

When all that equity requires has been done to distinguish the goods of two manufacturers of the same name, a dealer in the two articles need not affirmatively warn a customer ordering goods by means of the surname, that there are two makers of that name, and inquire whose product is desired.

3. UNFAIR COMPETITION—"BAKER'S CHOCOLATE."

Under the above circumstances, it is not unfair competition for a grocer to deliver William H. Baker's chocolate when "Baker's Chocolate" is asked for, though that term originally and for many years signified the product of Walter Baker & Co., the first manufacturer of that name.

Appeal from decree of the Circuit Court of the United States for the District of Nebraska dismissing the bill of complaint.

Frank F. Reed and William L. Putnam (Edward S. Rogers, James L. Putnam, A. M. Post, and August Wagner, on the brief), for appellant.

Dorr Raymond Cobb (Edgar N. Wilson and John J. Sullivan, on the brief), for appellees.

Before ADAMS and SMITH, Circuit Judges, and AMIDON, District Judge.

ADAMS, Circuit Judge.—This was a bill to restrain unfair trade, which the learned trial court dismissed. Hence this appeal.

Complainant is a corporation organized and existing under the laws of the state of Massachusetts, and by divers successions and transfers claims the right, alleged to have originated as early as 1780 in one James Baker, to carry on the business of manufacturing and selling chocolate and cocoa under the trade or corporate name of "Walter Baker & Co." and particularly claims the exclusive right to the use of the word "Baker" in connection with the sale of its chocolate and cocoa. It is charged in the bill that the defendants, Sydney C. Gray and Clinton C. Gray, doing business under the firm name of Gray Mercantile Company, at Columbus, in the State of Nebraska, have infringed complainant's rights by selling chocolate and cocoa manufactured by a corporation of New York known as "William H. Baker, Syracuse, Inc.," under the descriptive designation of "Baker's Chocolate" and "Baker's Cocoa."

Defendants in their answer admit complainant's exclusive right to the use of the name "Walter Baker" in any of the combinations specified by it, but deny it has any exclusive right to the use of the name "Baker." They admit they are selling the product of the Syracuse Baker; and allege that for some years prior to 1899 a man by the name of William H. Baker had been engaged in the wholesale grocery business in Syracuse, and in that year determined to embark upon the business of manufacturing and selling chocolate and cocoa; that, with a view to accommodating his business to the rights of Walter Baker & Co. of which he had full information, he devised and adopted a label to be placed

upon the packages of his product which so fairly distinguished and differentiated them from the packages of Walter Baker & Co. that no confusion could arise, and that upon a conference between the two concerns the label so devised and adopted by the Syracuse Baker was approved by the Massachusetts corporation; that William H. Baker and his subsequently formed corporation of the same name, soon after commenced to use the label so adopted and approved, expended large sums of money in the development of their trade under it, and continued the use of that label without objection by Walter Baker & Co. until about the time this suit was instituted in 1904.

By reference to the cases of *Walter Baker & Co. v. Baker* (C. C.), 77 Fed., 181, *Walter Baker & Co. v. Sanders*, 26 C. C. A., 220, 80 Fed., 889, *Baker v. Baker*, 53 C. C. A., 157, 115 Fed., 297, and *Walter Baker & Co. v. Slack*, 65 C. C. A., 138, 130 Fed., 514, which related to a controversy between the complainant in this case and one W. H. Baker of Winchester, Va. (and not William H. Baker of Syracuse, whose rights are now involved), the genesis and development of complainant's business as well as valuable contributions to the law governing the rights and limitations upon the rights of individuals to make use of their own patronymic as a trade-name can be found; and, in view of the facts there disclosed, little need be said now concerning the general facts of the case. Suffice it to say that complainant's label on the front of its package is and for a long time has been of a distinctive yellow color upon a dark blue background, having on its front side in large black letters: "BAKER'S CHOCOLATE—CELEBRATED AS A NUTRITIVE, SALUTARY AND DELICIOUS BEVERAGE FOR MORE THAN A CENTURY."

This is followed by ten lines of descriptive matter in small type, and then by the words in large type: "MADE BY WALTER BAKER & CO., LIMITED, DORCHESTER, MASS."

On the reverse side of the package appears in lavender color an attractive picture of a waitress with a white cap and apron, carrying in her outstretched hands a tray with two cups on it. Above the picture are the words, "La Belle Chocolatiere," and below it the words, "Walter Baker & Co., Limited, Registered in U. S. Patent Office."

The label on defendants' package, being that of the Syracuse Baker upon whose rights they stand, is of white color over a dark blue background. On it, in large green letters, appears this legend:

"JUSTICE Brand CHOCOLATE

Premium No. 1.

Highest Grade Made in the World."

Then follow three lines only of directions in small type; afterwards in bold large type the following: "WILLIAM H. BAKER, SYRACUSE, INC."

On the reverse side of their package is a representation of the Goddess of Justice in scarlet color holding aloft in one hand the scales of justice and in the other the conventional sword. Over the head is inscribed in large and prominent letters the words "JUSTICE BRAND," and beneath in like large and prominent letters are the words, "COCOA AND CHOCOLATE, WILLIAM H. BAKER, SYRACUSE, INC."

These labels are strikingly dissimilar, and each prominently and unequivocally discloses the manufacturer of its contents. In the spirit of fairness which seemed to actuate both parties in the year 1899 and for several years thereafter, the labels were regarded and treated as quite sufficient to prevent any deception or confusion.

In the trial before the Circuit Court no claim was made that the Syracuse label failed to properly distinguish between the product of complainant and the Syracuse Baker, and the case was there argued and decided on the assumption that the labels on defendants' goods (which were the same as those of the Syracuse Baker from whom they purchased them) were undeceptive and lawful. There could not well be, neither has there been, any serious contention that defendants in handling the Syracuse Baker's product have been guilty of unfair competition by simulating complainant's labels or advertising matter. This kind of deception, being that which commonly characterizes unfair competition in trade, is conspicuously absent in this case.

Practically the only contention here is that defendants, who keep the product of both the Bakers for sale in their grocery at Columbus, have been guilty of unfair competition in trade be-

cause they have not, on an inquiry by customers for "Baker's Chocolate," without more, handed out at once complainant's packages or have not affirmatively called attention to the fact that there were two kinds of Baker's chocolate, one Walter Baker's and the other William H. Baker's, and asked inquirers which they desired. This contention must be considered in the light of the following facts which are disclosed in the record:

The complainant under the name of "Walter Baker & Co." and its predecessors had for a long time and until about the year 1895, when one W. H. Baker of Virginia and later William H. Baker of Syracuse, engaged in the chocolate business, enjoyed a practical monopoly of the name of "Baker" in connection with that business. Prior to this date its product had been commonly known and referred to as "Baker's" chocolate or cocoa, and even up to the time the testimony was taken in this case in 1907 the word "Baker" used alone, in common speech, concerning chocolate or cocoa, had generally denoted the product of the complainant company. But the defendants, the Gray Mercantile Company prior to the institution of this suit had established a large demand in Columbus for the product of William H. Baker of Syracuse, which had there become so well known for its excellence that many purchased it in preference to the Walter Baker product. There is considerable evidence to the effect that, since William H. Baker of Syracuse entered into the business, a growing disposition has arisen to discriminate between the Bakers, when calling for chocolate. Customers desiring complainant's goods are beginning to call for "Walter Baker's." Even the complainant company in its advertisements in recent years has recognized the necessity for this discrimination and has emphasized it by urging purchasers to specify "Walter Baker's" goods in making their orders. Not only so, but in these later years complainant's product has become very generally known and ordered by purchasers by distinguishing names other than "Baker's" as, for example, the "Yellow Label," the "Chocolate Girl," and frequently as "Baker's Yellow Label," or "Baker's Chocolate Girl."

The retail selling price of the products of both Bakers at Columbus was the same; but defendants, being able to purchase

the Syracuse Baker's chocolate at a less price than the Walter Baker's, made a little greater profit by selling the former to its customers rather than the latter; and, when Baker's chocolate without further specification or other description was asked for, they generally handed out the William H. Baker package. There having been an extensive demand for both these products in and about Columbus, users became entirely familiar with the dress of the different packages, and recognized complainant's as the "Yellow Label" or the "Chocolate Girl," and often called for them by either of those names. These and other distinguishing marks upon complainant's packages were so well-known that purchasers of ordinary perception could not have failed to quickly discover that some other brand of chocolate or cocoa had been palmed off for Walter Baker's if such had been attempted. If a William H. Baker package bearing its peculiar and impressive labels had ever been offered to a customer calling for or wanting a Walter Baker package, the latter's sense of sight would have immediately come to his assistance and it would have been rejected. In the nature of things, therefore, the public has not been deceived; neither has complainant suffered by any surreptitious palming off of defendants' goods in lieu of its own.

Such being the facts, was it the duty of the defendants upon demand by customers for "Baker's" chocolate, without further specifying which kind, to hand out *Walter* Baker's packages, or explain to customers that there were two Bakers' chocolate and ask which they desired? Or could the defendants who were carrying the goods of both Bakers, on such a demand by a customer, hand out to him the one, by the sale of which they could make the most money, with the hope the customer would accept it and be satisfied?

There are some propositions which in the present state of the law on the subject of unfair competition must be regarded as firmly established. One is that no person can acquire or transmit to his successors in interest any exclusive right to the use of his own sur-name as against the right of others of the same name to use theirs honestly and legitimately in the prosecution of any business they may decide to engage in. *Howe Scales Co. v. Wyckoff, Scamans, etc., Co.*, 198 U. S., 118, 25 Sup. Ct., 609, 49

L. Ed., 972, and cases cited. If, however, confusion would result or the public be deceived or unwarrantable injury be occasioned by the subsequent adoption and use of a name once lawfully appropriated by a predecessor in business, equity will restrain such subsequent use unless some addition or explanation accompanies the use which indicates clearly that the business or product of the later comer is different from that of the original one. *Herring, etc., Safe Co. v. Hall's Safe Co.*, 208 U. S., 554, 28 Sup. Ct., 350, 52 L. Ed., 616, and cases cited. "*Sic utere tuo ut alienum non laedas*" is a wholesome maxim of the law as well as of morals. The application of these principles to the facts of the present case will control its decision.

William H. Baker of Syracuse, as already seen, conformed in respect of his labels and advertisements fully to the requirements of the law just referred to; and the defendants in handling his goods encroached in no manner upon the labels, advertising cuts, displays, or other devices which had characterized complainant's packages. Such being the case, they had the undoubted right to push their business with all legitimate argument and persuasion. When purchasers entered their store and called for Walter Baker's chocolate, they had the right to try and convince them by all honorable means that William H. Baker's product was better than the Walter Baker's product, and to persuade them, if possible, to take it rather than the article they called for. No one would contend this was not fair competition.

In view of the uncontradicted testimony that the prominent yellow label, the striking effigy of the chocolate girl, and the display of the name of "Walter Baker & Co., Limited," so distinguished and characterized complainant's packages that all persons knew them by those tokens or some of them, it seems perfectly obvious that an inquirer for its chocolate would, at once, on being offered a package of the "Justice Brand" manufactured by William H. Baker with its label so strikingly different from those characterizing the Walter Baker product, refuse to accept or keep it, unless they were willing to take it on its own merits. The delivery of a package of the "Justice Brand" on a call for complainant's chocolate would be in effect a proposition to the purchaser to accept that in lieu of what he asked for. In reality,

therefore, we fail to see how the tender of a William H. Baker package on a call for complainant's chocolate could deceive any purchaser. Certainly an attempt to deceive in that way would be so palpable as to signally fail of its purpose. A purchaser of ordinary prudence or even the most unwary could not be deceived by it.

The Supreme Court in *McLean v. Fleming*, 96 U. S., 245, 24 L. Ed., 828, speaking by Mr. Justice Clifford, said:

"A court of equity will not interfere when ordinary attention by the purchaser of an article would enable him at once to discriminate one from the other."

And in *Columbia Mill Co. v. Alcorn*, 150 U. S., 460, 14 Sup. Ct., 151, 37 L. Ed., 1144, speaking by Mr. Justice Jackson, said:

"Even in the case of a valid trade-mark the similarity of brand must be such as to mislead the ordinary observer."

But let it be conceded for the moment that complainant's packages are at the present time generally known and recognized by the trade under the name of "Baker's" chocolate or cocoa, and that there are no other names or tokens by which they are known, we are of opinion that the demands of fair and honest competition did not require the defendants to exercise the solicitude in behalf of their competitor contended for. If the complainant and its predecessors permitted their goods to become known to the trade as "Baker's" without further identification, they did it subject to the possibility that any other person of that name might enter the same business and might properly enough desire his own product to be known by his own name.

Defendant's goods are as accurately described by the word "Baker's" as complainant's are, and they have a natural and perfect right to call them so and a natural and pardonable ambition to induce others to call them by that name.

Because of the fact, however, that another man by the name of Baker had preceded them in the same business, in order to insure fair competition and prevent the perpetration of fraud upon the public, the law, as already pointed out, imposed upon defendants the obligation of so marking and describing their product as to plainly distinguish it from their predecessor's. This

as we have already seen, was done by them to the fullest possible requirement.

If, in addition to this, a merchant in order to escape the charge of fraud must explain to every customer calling for his goods by its natural descriptive and colloquial name the difference between them and those of a competitor entitled to use the same descriptive name, or if a merchant must warn every customer that he is liable to be defrauded by trading with his house, he would in a large degree be deprived of his natural and conceded right to trade in his own name. He would be required to advertise and extol his rival's goods in an attempt to sell his own. We can not give our assent to the proposition that would impose upon a second comer such an extraordinary degree of care to protect a rival of the same name. The authorities, as we view them, impose upon him this duty and no more. He must by means of his packages, the color, display, and legends upon them, or in some other effective way so plainly distinguish his own product from that of his predecessor that purchasers in the exercise of reasonable care can not be deceived in respect to it. In this way the undoubted right to use one's own name in business is secured and preserved, and the duty to so use it as not to deceive the public or unnecessarily injure a business competitor of the same name is enforced. The right and the duty thus become reconciled so far as is consistent with their separate existence in one person.

In *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S., 169, 187, 16 Sup. Ct., 1002, 1009, 41 L. Ed., 118, it is said:

"Every one has the absolute right to use his own name honestly in his own business, even though he may thereby incidentally interfere with and injure the business of another having the same name. In such case the inconvenience or loss to which those having a common right are subjected is *damnum absque injuria*."

In *Coats v. Merrick Thread Co.*, 149 U. S., 562, 13 Sup. Ct., 966, 37 L. Ed., 847, Coats sought to enjoin the defendant from alleged unlawful and unfair competition in business by using certain marks and symbols upon the spools of thread in resemblance of complainant's marks and symbols. The Supreme Court, having held that the defendants had the right to use certain labels

which were alleged to be infringements of complainant's rights, said:

"They [the defendants] were only bound to take such care as the use of such devices, and the limited space in which they were used would allow. * * * Having done this, we think they are relieved from further responsibility. If the purchaser of such thread desires a particular make, he should either call for such, * * * or should examine himself the lettering upon the spools. He is chargeable with knowledge of the fact that any manufacturer of six-cord thread has a right to use a black and gold label, and is bound to examine such label with sufficient care to ascertain the name of the manufacturer."

See, also, to the same effect, the cases of *McLean v. Fleming* and *Columbia Mill Co. v. Alcorn*, *supra*.

In *Centaur Co. v. Marshall*, 38 C. C. A., 413, 97 Fed., 785, this court in a case of unfair competition where both parties had a right to use a common name, "Castoria," in the manufacture and sale of their product, said:

"Every one has the undoubted right to sell his own goods or goods of his own manufacture, as such, however much such sales may damage or injure the business of his competitors. * * * Every purchaser is charged with knowledge of the fact that any one may make and sell 'Castoria,' and, if he seeks that made by one manufacturer rather than that prepared by another, it is his duty to examine the wrapper with such a degree of care as would ordinarily ascertain who the manufacturer of the article which he purchased is. The law imposes no duty upon the appellees to see to it that the careless and indifferent know that the Castoria which they buy is made by the appellant if they so dress their product that one who seeks to ascertain whose manufacture it is can readily learn by a reasonable examination of their wrappers, whether it is made by the appellant or by themselves."

In *Allen B. Wrisley Co. v. Iowa Soap Co.*, 122 Fed., 796, 59 C. C. A., 54, this court in a similar case said:

"Every manufacturer and vendor has the undoubted right to sell the goods he makes or owns to the public, to his own customers, and to the customers of his competitors if he can, at lower prices and on better terms than those furnished by them, and by these and by all fair means to divert their trade to himself, even though his activity and enterprise may destroy the business of his rivals. * * * His competitor has no better right to a monopoly of the trade of the careless and indifferent than he has, and any rule of law which would insure it to either would foster a competition as unfair and unjust as that promoted by the sale of the goods of one manufacturer as those of another. One who so names and dresses his product that a purchaser who exercises ordinary care to ascertain the sources of its manufacture can readily learn that fact by a reasonable examination of the boxes or wrappers that cover it has fairly discharged his duty to the public and to his rivals, and is

guiltless of that deceit which is an indispensable element of unfair competition."

Our conclusion is that defendants' right to offer their goods to the trade as "Baker's" goods is equal to that of complainant's right to so offer its goods, and that defendants, having fully complied with the law obligating them to so dress their goods as to prevent confusion and enable purchasers when exercising reasonable care to distinguish between them and the goods of others of the same name, have done their full duty either to the public or to the complainant.

By heeding the maxim *caveat emptor*, the public will be protected; and complainant, for reasons already stated, will not suffer any legal injury. The decree of the Circuit Court dismissing the bill is affirmed.

SMITH, Circuit Judge (specially concurring). I can not wholly concur in the foregoing opinion. Rule 11 of this court provides that the appellant shall file with the clerk of the court below an assignment of errors which shall set out separately and particularly each error asserted and intended to be urged, and errors not assigned according to this rule will be disregarded, but the court at its option may notice a plain error not assigned. Of course, the last clause is wholly immaterial here as the majority hold there was not only no plain error, but no substantial error. The only assignment of error in this case is:

"That said court erred in dismissing said complainant's bill with costs to the complainant, in denying to the complainant an injunction in the term as prayed for in said complainant's bill of complaint, and in refusing to direct an accounting of profits and damages."

In my judgment this is a wholly insufficient assignment of errors. *Stevens v. Gladding*, 19 How., 64, 15 L. Ed., 569; *Oswego Township v. Travelers' Insurance Co.*, 70 Fed., 225, 17 C. C. A., 77; *The Myrtie M. Ross*, 160 Fed., 19, 87 C. C. A., 175; *United States v. Stone & Downer Co.*, 175 Fed., 33, 99 C. C. A., 49; *Deering v. Kelly*, 103 Fed., 261, 43 C. C. A., 225; *Louisiana Co. v. Levee Commissioners*, 87 Fed., 594, 31 C. C. A., 121; *United States v. Ferguson*, 78 Fed., 103, 24 C. C. A., 1; *Doe v. Waterloo Min. Co.*, 70 Fed., 455, 17 C. C. A., 190; *Smith v. Hopkins*, 120 Fed., 921, 57 C. C. A., 193.

Rule 24 (188 Fed., xvi) provides the brief shall contain a specification of the errors relied upon, and in cases brought up by appeal the specification shall state as particularly as may be in what the decree is alleged to be erroneous. There is a total absence of any pretense of compliance with this rule, and the case can properly be affirmed, and the appeal dismissed for this reason. *City of Lincoln v. Street Light Company*, 59 Fed., 756, 8 C. C. A., 253; *Woodmen of the World v. Jackson*, 97 Fed., 382, 38 C. C. A., 208; *Western Assur. Co. v. Polk*, 104 Fed., 649, 44 C. C. A., 104.

It is suggested on behalf of appellant that the assignment of errors is as specific as possible under the circumstances, but in this I do not concur. It must be borne in mind that under rule 11 each error must be set out separately. The bill prayed for an injunction restraining the defendants from advertising, selling, or causing to be sold any cocoa or chocolate other than that made by complainant under the names of "Baker's Cocoa" or "Baker's Chocolate," or in response to requests for "Baker's Cocoa" or "Baker's Chocolate," and also from using the word "Baker," "Baker's" or "Bakers," on packages, boxes, labels, show cards, or in advertisements or orally or in any manner in connection with powdered cocoa or chocolate other than that made by complainant, and from referring to any cocoa or chocolate other than that made by complainant either orally or in writing, in advertisements, sales, or offers for sale in any way which will lead consumers or the public to believe that the chocolate or cocoa so referred to is Baker's Chocolate or Baker's Cocoa, or a variety of Baker's Chocolate or Baker's Cocoa, and for an accounting and for compensation.

The acts sought to be enjoined are very numerous, and as to many of them it was not even seriously contended at the hearing that complainants were entitled to an injunction. Request for an accounting and compensation was clearly incident to and dependent upon the granting of the whole or some part of the injunctive relief sought. Generally speaking, where a bill seeks an injunction and an accounting, it is certainly not a sufficient assignment of errors to charge that the court erred in dismissing complainant's bill with costs. When a bill seeks two separate classes

of relief, it can not be said that errors are set out separately by an assignment that the court erred in dismissing the bill, and, when a bill seeks an injunction against a dozen distinct acts, no error can be said to be pointed out by an assignment that the court erred in denying an injunction in the term prayed. Even if the assignment of errors was sufficient, and I think it clearly was not, still not even a suggestion of excuse is made for the total failure of the brief to contain any specification of errors as required by rule 24.

I concur quite generally in the facts found and the law laid down in the majority opinion. There are some matters not set forth in the opinion, but which have been carefully considered by the entire court that the majority do not regard as controlling, but which to me seem to entitle the complainant to a portion of the injunctive relief sought. For the reasons indicated, I concur in the order of affirmance, and, as all agree that the case should be affirmed, I do not deem it necessary to set forth at length why I can not wholly concur in the opinion of the majority. I do not under the circumstances feel that it would be profitable to make an additional review of the evidence and the authorities applicable thereto.

HOLEPROOF HOSIERY CO. V. WALLACH BROS.

(192 Fed. Rep., 534.)

Second Circuit, December 11, 1911.

UNFAIR COMPETITION—RESEMBLANCE OF PACKAGE.

Upon the facts, *held* that there was no evidence to warrant an injunction against the defendant's use of their package, proof of actual deception being wanting, and the evidence showing that the points of resemblance between the plaintiff's and defendant's package were common to the trade.

Appeal from decree of the Circuit Court of the United States for the Southern District of New York, in favor of complainant.

For opinion below, see Reporter, Vol. II, p. 16; on motion for preliminary injunction, 167 Fed. Rep., 373, and 172 Fed. Rep., 859.

Gardenhire & Jetmore (Aron P. Jetmore, of counsel), for appellant.

Walter C. Booth (Frank F. Reed and Edward S. Rogers, of counsel), for appellee.

Before LACOMBE, COXE, and NOYES, Circuit Judges.

NOYES, Circuit Judge.—Upon the previous appeal this court said:

"Taking into consideration resemblances in shape and character of package which result from conformity to custom of trade, we are unable to concur in the conclusion that there is sufficient similarity as to packages, labeling, etc., to warrant a preliminary injunction, in the absence of proof that any one has been deceived by the defendant's acts in that regard."

There is no contention that any proof has been offered to show that any one has been deceived by the defendant's package and, consequently, the inquiry upon the present record is whether a situation is disclosed materially different from that presented before. The complainant contends that there are substantial differences in the testimony. It says, in the first place, that the resemblance in shape and character of the package are shown by the present testimony not to be attributable in any degree to trade custom. It urges, in the second place, that the history of the "Knotair" product and the acts of the defendant as now disclosed demonstrate an intent to deceive.

With respect to the first contention we find nothing in the present record to call for a modification of our former statement concerning resemblances arising from the custom of the trade. The present testimony shows what appeared before, that all hosiery boxes are of the same general size and shape and have their contents similarly packed. It also appears that hosiery boxes are of different colors; yellow being not uncommon.

With respect to the contention that an intent to deceive is clearly shown, we think it necessary only to examine certain acts upon which stress is laid in the opinion of the District Judge and which we did not consider before.

It is stated, in substance, that the defendant after dealing in the complainant's goods accepted the agency for the "Knotair"

hosiery and thereupon procured the color of the boxes in which such hosiery was sold to be changed from red to yellow and other changes to be made in imitation of the complainant's packages. If we were satisfied that this is what the defendant did, we should have little difficulty in reaching the conclusion of the court below that the defendant's intention was dishonest. But we are not so satisfied. It appears that the defendant had not sold the complainant's goods for some ten years before the acts complained of and that the goods it then sold were not at all the same as those it is now charged with imitating. Furthermore we are satisfied that the similarity in labels, bands and forms of guaranty arose rather from a desire to appropriate the complainant's idea of guaranteed hosiery than from an intention to palm off its "Kno-tair" goods for the complainant's product. So we are not satisfied that the color of the boxes was changed for a dishonest purpose. The statement that yellow boxes were adopted to conform to the color scheme of the defendant's stores seems not unreasonable.

It must be distinctly borne in mind that the principal advertisements of the complainant's goods in the field covered by the defendant's stores pointed out Brill Bros. as the exclusive agents. Undoubtedly these advertisements created a demand both for complainant's goods and for guaranteed hosiery in general. The latter demand might naturally have been expected to inure to the benefit of the defendant if it put itself into a position to fill it. It is evident why the defendant put in a line of guaranteed hosiery and availed itself of some of the complainant's ideas in that respect. But how the defendant could have expected any such demand for the particular goods of the complainant, which were advertised to be sold only in other stores, as to hold out any inducement to an elaborate fraudulent scheme to deceive, is more than we can imagine.

Without further examining the question, it is enough to say that we find nothing in the record requiring us to change our conclusion reached upon the former hearing, and this requires a reversal of the decree with respect to the injunction against the use of the packages. In other respects we are satisfied that the injunction should stand, but the complainant is not entitled to an accounting. Costs upon this appeal are awarded to the appellant.

WERTHEIMER V. BATCHELLER IMPORTING COMPANY

(192 Fed. Rep., 449.)

Second Circuit, January 10, 1912.

UNFAIR COMPETITION—DEFENCE—COMPLAINANT'S FRAUD.

The name "Poudre de Riz de Java" applied to face powder containing but eight per cent. of rice powder is such a false and misleading designation of the goods as will prevent the complainant from protecting himself against the unfair use of a similar name.

Appeal from order of the Circuit Court of the United States for the Southern District of New York, granting a preliminary injunction. For opinion below, see Reporter, Vol. I, p. 114.

Charles C. Gill and Edgar B. Stocking, for appellant.

Arthur v. Briesen and John H. Hilliard, for appellees.

Before COXE, WARD, and NOYES, Circuit Judges.

WARD, Circuit Judge.—The complainants and their predecessors in business have since the year 1879 manufactured a face powder under the trade-mark, "Poudre de Riz de Java," which has a world-wide reputation. They obtained in this case a preliminary injunction against the defendant enjoining it from, among other things, using the word "Java" in connection with the words, "Poudre de Riz." The defendant has appealed on the ground, among others, that the complainants are not entitled to equitable relief, because their trade-mark is false and misleading, in that the powder contains not over 8 per cent of rice powder as against some 90 per cent of mineral powder. While we agree that a case of unfair competition is made out upon affidavits, we do not think they warrant a preliminary injunction in view of the decision of the Supreme Court in *Worden v. California Fig Syrup Co.*, 187 U. S., 516, 23 Sup. Ct., 161, 47 L. Ed., 282. In that case the rule that the owner of a trade-mark which contains or is accompanied by any statement calculated to deceive or mislead the purchaser is not entitled to relief by injunction was applied in the most stringent manner. An injunction against admittedly unfair competition was refused because there was little or no fig in the compound. The court held that it made no difference that originally figs were used or that the complainant

had by advertisements and statements subsequently made it clear to the trade that the medical properties of the compound were derived from senna, because this did not necessarily reach the consumer. Moreover, it cited and quoted from the case of *Fettridge v. Wells*, 13 How. Prac. (N. Y.), 385, which involved a liquid soap for external use called "Balm of a Thousand Flowers," and which is, perhaps, the extremest illustration of the doctrine in question.

The court below treated the words, "Poudre de Riz," as a generic name for face powder, not necessarily implying that it was composed of or contained rice powder. It may be established upon final hearing that the words have acquired this secondary meaning, but the affidavits do not make it clear enough, in our opinion, to justify a preliminary injunction.

The defendant produced the affidavit of Percy C. Magnus, president of a large company dealing in perfumes, etc., who had been for many years himself in the business, and who stated that it was his understanding, and he believed the general understanding, that the complainant's powder was substantially pure rice powder ground from rice from the island of Java.

The affidavits of Frederick B. Longwell, buyer of toilet goods and sundries for 14 stores, Charles A. Boyden, buyer of toilet goods and drug sundries for the Eastern Drug Company for 10 years past, Judson B. Todd, ex president of the State Board of Pharmacy of the State of New York and a druggist at Ithaca, William Angrove, buyer of the toilet goods for the Peters Dry Goods Company of Indianapolis, J. E. Troup, buyer of toilet goods for the John Taylor Dry Goods Company of Kansas City, and of Ward A. Pitcher, conducting the drug store of the Pitcher Drug Company, New York, are all to the same effect.

In reply, the complainants produced the affidavit of Virgil Coblentz, professor of chemistry in Columbia University, who said that the term "Poudre de Riz" is generally understood among pharmacists and manufacturers of toilet preparations as referring to a toilet powder composed of adherent mineral powder with or without rice in small proportions. Eustace H. Gane, chemist for McKesson & Robbins, stated that rice powder has been gradually eliminated as an ingredient of "Poudre de Riz,"

and the term has become the generic term for a toilet powder. John Whitehill, manager of the manufacturing department of Hegeman & Co., which has 20 stores in New York and vicinity, said that "Poudre de Riz" designates a face powder which may contain a small percentage of rice flour, and often none at all.

The order is reversed with costs.

COXE, Circuit Judge (dissenting). I am convinced that the record establishes a case of unfair competition. The defendant is attempting to secure the benefits resulting from the long-established reputation of the complainant and its predecessors in business. The truth of this proposition is established by an examination of the packages in which the defendant sells his goods. In size, shape, color and general contour they are so similar to those of the complainants that an ordinary purchaser might easily be misled. As first offered for sale the defendant's powder was packed in boxes, the prevailing color being green with gilt edges and white labels. The most conspicuous label was on the top of the box with circular printing in two rows around its outer circumference and straight printing in the center. In all these respects the two labels, while not identical, resemble each other so closely that the casual observer would easily mistake the one for the other. In the center space the complainants' box has the following:

"POUDRE DE RIZ
de
JAVA
A. Bourjois & Cie
Rue d'Hauteville
60 & 62
Paris."

The center space of the defendant's box is as follows:

"O. P. C.
Compound
'JAVARICE'
with Peroxide
Poudre de Riz
Face Powder."

The letters "O. P. C." the word "Javarice" and the words "Face Powder" are printed in red.

Of course, when these labels are compared and examined analytically many differences can be pointed out.

Experts and lawyers familiar with the law of trade-marks and unfair competition would probably not be misled, but they are not the persons the law is designed to protect. The purchasers of these powders are principally women and the question is—would a woman who formerly had used and liked the complainants' powder, be deceived by the defendant's method of dressing up its powder into taking it for the complainants'? Wanting "Poudre de Riz de Java" and seeing "Javarice Poudre de Riz" on a box of the same dimensions as the one she had known in the past, would she not be persuaded to take the defendant's powder, believing it to be the powder she wanted? As was said by the Supreme Court in *Gorham Co. v. White*, 81 U. S., 511, 20 L. Ed., 731, in applying this rule to a design patent:

"We hold, therefore, that if in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other."

The change made in the color of the defendant's boxes from green to blue does not exculpate but rather tends to show that it recognized the close similarity and sought to avoid its consequences by making an inconsequential change. I can not avoid the conclusion that the many points of similarity were not merely the result of an accident. The circular printing on the top label, the similarity of names and description together with the general resemblance in size and color, are too marked to be the result of an accident. They would, I think, deceive the ordinary observer.

If the defendant actually desires to sell its goods upon their merits, it will be benefited rather than injured by the changes directed by the Circuit Court. If, on the other hand, it is seeking an unfair advantage, it should be enjoined.

It is argued that the complainants are not entitled to recover because they have been guilty of false representations in failing to announce themselves as the successors of A. Bourjois & Cie, and that therefore they are not entitled to recover under the rule

announced in *Medicine Co. v. Wood*, 108 U. S., 218, 2 Sup. Ct., 436, 27 L. Ed., 760. This is the most serious contention advanced by the defendant, but I think the facts here can be satisfactorily distinguished from these in the *Medicine Co. Case*. There is no false statement on the complainant's labels. Bourjois, who originated the business, took the complainant Orosdi into partnership with him in 1890 and they continued in business under the name as it appears on their boxes. On the death of Bourjois in 1893, his widow succeeded to his interest and she and Orosdi carried on the business for two years when she assigned her interest to Orosdi, who carried on the business until 1898, when he took the complainant Wertheimer into partnership and they have since continued under the name of the old firm to whose property and good will they have succeeded. Orosdi was a member of the original firm and has continued a member ever since. The good will attached to the firm name is valuable. If Orosdi can not use it no one can and an asset of value would be lost. In these circumstances I see no fraud in the action of the complainants.

The defense that the complainants can not recover because they have labeled their goods *Poudre de Riz de Java* when in fact they contain no Java rice can not be sustained. The testimony shows that though originally rice was one of the ingredients of the powder, its use was long since abandoned, though the name continued to designate the toilet article of today. The name has come to have a secondary meaning and no one connected with the powder business today, either as maker or user, supposes that it is made wholly of rice. As illustrations of instances where similar changes have occurred, the ingredients of the article having changed, though the old name remains, the complainants' brief contains the following:

"Epsom Salts, which originally were salts from the Epsom Spring in England; Cream of Almonds, which today contains only a small percentage of actual almond cream; Almond Meal, which contains only a relatively small proportion of this substance, or none at all, being made chiefly from orris root and powdered soap, which has been found to be not a cheaper but a much better product; Soda Water, which is no longer made from soda, nor does soda play any part in its present manufacture; Seidlitz Powder, which no longer comes from the Seidlitz Spring in England.

"Likewise may be cited the various 'Creams' used as cosmetics, but nobody is ever deceived into thinking that these creams are derived from

milk; Creme de Java, mentioned in complainant's catalogue, is surely not made from the cream of cows whether from Java or elsewhere; Lead pencils, so-called, which at one time contained a core of lead but which at the present time contain a core of graphite or plumbago, which neither chemically or physically bears any relationship to lead. Also 'penknife,' a knife formerly used to sharpen quill pens but now any small knife."

I am unable to agree with the majority of the court that this case is within the rule laid down in *W'orden v. California Fig Syrup Co.*, 187 U. S., 516, 23 Sup. Ct., 161, 47 L. Ed., 282, for the reason that there is here no intention to deceive and no fraud is shown. This is not a case of quack medicine nor is it a case where poisonous or otherwise deleterious drugs are concerned. It is not a case where the statements on the labels are misleading in the sense that the purchaser is induced to buy an article which he would not take if he knew the real facts about it. On the contrary, it is a case where an honorable business has grown up and has been maintained for years by the complainants and their predecessors. Originally rice was used as an ingredient of the powder, hence the name "Poudre de Riz" was used and has continued ever since to designate a face or toilet powder. In the course of time it became known that other substances possessed advantages over rice and they have been substituted, sometimes at an increased cost, for the rice originally used. No one has been deceived by this change, which is simply an improvement of the same class which in the progress of time is made in many similar articles. I do not see how any intelligent person can be deceived. An exceedingly ignorant person might be misled, but it would not be to his injury but to his advantage. Instead of getting the product of a quarter of a century ago he would be getting the improved face powder of the present day.

I think the order should be affirmed.

UNITED STATES CIRCUIT COURT

SAMSON CORDAGE WORKS V. PURITAN CORDAGE MILLS

(193 Fed. Rep., 274.)

Western District of Kentucky, November 11, 1911.

TRADE-MARK—VALIDITY.

The method of marking a cord by means of checks, formed by the interweaving of a yarn of a color different from the others used in the making of the yarn, can not be exclusively appropriated, nor form a valid trade-mark.

In Equity. On motion for a preliminary injunction.

Coale & Hayes and *McDermott & Ray*, for complainant.
Helm & Helm, for defendant.

EVANS, District Judge.—There was on yesterday an interesting argument of this case, and I will briefly state the reasons for the conclusion I have reached upon the motion for a temporary injunction, though without undertaking to comment upon the very meager line of authorities bearing directly upon the question.

The complainant manufactures and sells cord of an excellent quality and wide reputation, commonly called, I believe, "Samson's Spotted Cord," in respect to which it claims to have a trade-mark which is being infringed by the defendant. Complainant's fabric is a cord, in the making of which probably a dozen yarns are twisted and intertwined in regular order. A careful examination of the cord itself will disclose that all of these yarns, except one, are of the same color; that that one is of a markedly different color, though of equal quality and fineness with the others; and that when, in the process of fabrication, these yarns are twisted and intertwined, numerous little figures, which, though rhombodial in form, I shall call "checks" are produced by the appearance and disappearance of each yarn on the exterior surface. These checks, as I have called them, for want of a better short name, are somewhat in the technical shape of a lozenge. They cover practically all of the surface of the cord. Each of them, however, is separate and distinct from the others, and they differ only in color. If the yarn happens to be blue, of course, the check which it makes is blue, and as the fabrication progresses the blue checks will spirally follow at regular intervals the course and reappearance of that yarn to the end. And so with every other separate yarn used. There is no difference in the shape or appearance on the outside surface of the cord between these checks, except in their color. Otherwise they are all precisely alike. These checks, made as I have stated, are the

natural and inevitable consequence of the process of twisting, plaiting, and intertwining the yarns into cord, and they are not and can not be "symbols or devices arbitrary in character and selection" (38 Cyc., 729), chosen as marks to indicate, by use and association, the origin of the fabric in which they appear. The only choice or selection made by the manufacturer is in the color of one of the yarns. This choice and use of the particular color makes the only difference in the appearance of the cord, or in what we have called the checks which decorate its exterior surface.

We may assume for the present that the complainant has long used one yarn which is of a different color from the others in making a spotted cord; but such things as mere "colors" and "spots" can not be exclusively appropriated by any person for a trade-mark, or for any other purpose, though that alone seems to be what is attempted here. Those two things, speaking generally, are, of public right, open to the choice and use of everybody, except in rare cases of combination with other surrounding things. Neither can the right to twist and plait into the cord one yarn, which in color differs from the others used, be exclusively appropriated by any one person for trade-mark purposes. A right so simple and probably so ancient must in its very nature be, and obviously it is, one which is and has always been common and open to all persons who make cordage of any kind. Nor can this result be altered or in any wise affected by the fact that such use will inevitably and always make a spot or mark on the fabric which will correspond with the color of the yarn used for that purpose. That natural and necessary result rather emphasizes the existence of the common right. Suppose one manufacturer should choose to use a single yarn that was blue to combine with others so as to make a blue spot, and suppose that another, for a similar purpose, should select a single yarn that was red, and so on through all the prismatic colors; it might soon be (if complainant's contention be sound) that only a few persons could use a single yarn colored differently from the others employed in the fabrication of a cord. All other cord makers might have to use uniform colors, however much they might desire variety.

And this principle might be extended to all sorts of manufactured articles.

But we need not pursue the subject further. All these things considered, and for the purposes of the motion for a temporary injunction at least, we must hold that the complainant has not brought itself within the established principles of the law of trade-marks, however much the facts might by some possibility indicate unfair competition. Upon the latter proposition, however, we express no opinion whatever.

The complainant for some purpose has read in the evidence in support of its motion a copy of the registration of its trade-mark made in 1894. But there is a very distinct difference between the trade-mark which was registered and the one described in the bill of complaint, which, for present purposes, is the only one that concerns us. It does not definitely appear when the use of the latter began, though it may fairly be inferred that it was used long before the defendant began to pursue another plan in which two highly colored yarns are used, instead of only one. By this means the shape of the checks on the surface of the cord made by the defendant is, in fact, somewhat different from that of the complainant, though the result is a spotted cord, which in a general way by an ordinary person might be taken to be the complainant's fabric, if it were not closely examined.

To say the least, we have not as yet been able to remove grave doubts of the validity of complainant's trade-mark, and as granting a temporary injunction is discretionary, and as such relief should be withheld except in reasonably clear cases we will overrule the motion now under consideration.

[The registration referred to in the opinion describes the trade-mark as follows: "The trade-mark consists of spots upon a cord and has generally been arranged as shown in the accompanying facsimile, where appears a section of a cord with spots placed at intervals along its surface; they are preferably obtained by braiding a strand of a different color into the cord, but the same result has been obtained by applying coloring matter directly to the surface of the cord. The particular position of the spots upon the cord is, however, immaterial and may be varied at pleasure without materially affecting the character of the trade-mark, the essential feature of which is the spots upon the cord." The difference if any between the mark described in the bill of complaint and that described in the registration does not appear. The case, however, would seem to come clearly within the rule of the United States

supreme court in the Leschen rope case. *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 201 U. S., 166. In that case it was held that a registered mark described as "a red or other distinctively colored streak woven into a wire rope" was invalid for indefiniteness, the court remarking that, if restricted to the one color, red, in which it had been used it might perhaps be sustained.

The court of appeals of the District of Columbia has lately sustained oppositions filed to protect the last mentioned mark, the *red* strand woven into a wire rope, against the damage that would be suffered by the registration of marks consisting of like strands of yellow and blue. Reporter, Vol. I, pp. 37, 42.]

BERNSTEIN V. DANWITZ

(192 Fed. Rep., 943.)

Southern District of New York, December 6, 1911.

UNFAIR COMPETITION—PRELIMINARY INJUNCTION—TERMS.

Where, before amendment of the bill of complaint, the defendant has already made the changes in the dressing of its goods, sought by the complainant, the latter is required as a condition of exacting further changes thereafter to which he is entitled, to contribute to the defendant's expense in making them.

In Equity. On motion for preliminary injunction. For decision on earlier motion, see Reporter, Vol. II, p. 20.

Wise & Lichtenstein, for complainant.

Samuel Bitterman, for defendant.

WARD, Circuit Judge.—The complainant has by the leave of the court filed a supplemental bill alleging that the defendant is an alien, which is not denied. Therefore the court now has jurisdiction of the cause of action contained in the original complaint, founded on the charge of unfair competition. The defendant's original carton containers, as well as the packages of the single cakes, were obvious imitations of the complainant's. But the defendant voluntarily consented to alter them in accordance with suggestions made in open court, apparently satisfactory to the complainant, and he honestly carried these changes out at his own expense. Still I think the complainant is entitled to some further relief. The carton containers, I suppose, are bought by retailers, who are not at all as likely to be misled into buying the defendant's goods for the complainant's as would be the consumers, who buy the small single packages. The defendant must

remove the dark rectangular panel above his trade-mark, which so closely resembles the panel over the complainant's trade-mark, and print his letter press in some other color than blue. As this will require the defendant to go to further expense in changing the wrappers of his goods, which would have been avoided if the complainant had described the defendant as an alien in his original bill, and had not expressed himself content with the changes first made, it will be a condition of granting the further relief that the complainant shall contribute to the defendant's expenses. He may at his option reimburse the defendant for the expense of the changes already made, or for the expense to be incurred in making the further change. If he elect to pay the expense of the further change, he may, if he does not insist upon an injunction against both, pay only for the expense of the change on the carton container, or only for the change on the single package.

The motion for a preliminary injunction on these terms is granted.

UNITED STATES DISTRICT COURT

WEYMAN-BRUTON COMPANY V. OLD INDIAN SNUFF MILLS

Southern District of New York, March 13, 1912.

PROPERTY IN MARK—UNLAWFUL COMBINATIONS.

A so-called trust or combination, dissolved by decree of the federal court does not, by reason of such decree, lose the right to protect its trade-mark property, nor to convey a good title thereto, by assignment to a company organized to take over a portion of its assets and business.

In Equity. On exceptions to a supplemental answer.

Wisc & Lichtenstein, for Weyman-Bruton Company.

Charles Dushkind, for defendant.

COXE, J.—The question presented by the exceptions to the supplemental answer is a simple one. Briefly stated, it is whether the American Snuff Company, which was one of the defendants in the action brought by the United States to dissolve the so-

called "Tobacco Trust" lost its right to sell and assign its title to the trade-mark "Copenhagen," because of the decree dissolving that combination under the provisions of the anti-trust act

If it did not lose the right to sell and dispose of its property the complainant has a valid title to the trade-mark as alleged in the bill. The trade-mark and all rights thereunder were duly transferred to the complainant. Not only was this transfer lawful, but it was specifically directed by the decree of the Circuit Court dated November 16, 1911, directing the dissolution of the unlawful combination.

The decree contains the following:

"It is proposed that there be organized two new snuff companies, one to be called the George W. Helme Company, and the other Weyman-Bruton Company, and that American Snuff Company convey to these two companies respectively factories *with the brands manufactured in them* as follows." 191 Fed. Rep., 420.

The object of that decree was not to destroy property but so to distribute it that its owners could no longer violate the provisions of the law. The name "Copenhagen" is, so far as now appears, perfectly valid as a trade-mark and the rights thereunder are of unquestioned value. The fact that its former owner was engaged in an unlawful combination does not invalidate its trade-mark or render its use unlawful in the hands of a *bona fide* owner engaged in a legitimate business.

It is unnecessary to comment upon the authorities as they are unanimous upon the proposition that the owner of a patent or a trade-mark can protect his property and enforce his rights against a trespasser and an infringer, even though he may be engaged in business which is in restraint of trade.

Strait v. National Harrow Co., 51 Fed. Rep., 819;

Bonsack v. Smith, 70 Id., 383;

Camors v. McConnell, 140 Id., 412;

Brown Saddle Co. v. Troxel, 98 Id., 620;

General Electric Co. v. Re-New Lamp Co., 128 Id., 154.

The counsel for the defendant frankly admits that "the weight of authority seems to uphold the views of our adversaries" and he cites no authority in support of his contention. The fact that the Snuff Company has been *convicted* of having vio-

lated the law does not distinguish this case from those cited above. However, it is a sufficient answer to this contention that the same court which convicted the Snuff Company authorized the assignment by it to the complainant of the trade-mark in question.

The exceptions are sustained.

[The question here adjudicated is not a wholly novel one in the federal courts. In 1904 the circuit court for the district of New Jersey said that defendant's allegations of violation of the Sherman act by the complainant, introduced into an issue of trade-mark infringement were impertinent and irrelevant, tending to embarrass and confuse the main issue. *Independent Baking Powder Co. v. Boorman*, 130 Fed. Rep., 726 (728). In 1910, the circuit court for the eastern district of Michigan said in a like case, that the Sherman act had its own penalties which must be invoked against violation of its provisions. No transgression thereof could justify another in the misappropriation of the offender's property. *Northwestern Consolidated Milling Co. v. Wm. Callam & Sons*, 177 Fed. Rep., 786 (788).]

SUPREME JUDICIAL COURT OF MASSACHUSETTS

FORSTER MFG. CO. V. CUTTER-TOWER CO.

(97 Northeastern Rep., 749.)

March 1, 1912.

1. UNFAIR COMPETITION—IMITATION OF PACKAGE.

The use during five years of a distinctive box or package for containing toothpicks, entitles the user to protection in the enjoyment of the good will that has become attached to its style of package.

2. DECEPTION—ULTIMATE PURCHASER.

It is immaterial, in any case of unfair competition, that the dealer who is the immediate purchaser of the goods is not deceived. The wrong is present when the goods are so dressed that the ultimate purchaser is or may be deceived.

3. UNFAIR COMPETITION—INTENT.

When an invasion of the complainant's rights is established, for the purpose of acquiring so far as possible the plaintiff's customers and trade, the defendant is liable for both actual damages and for the profits, if any, it has wrongfully acquired.

Case reserved from Supreme Judicial Court, Suffolk County.

Roberts, Roberts & Cushman (Robt. Cushman and Chas. D. Woodberry, of counsel), for plaintiff.

Macleod, Calver, Copeland & Dike (Wm. A. Macleod and Wm. A. Copeland, of counsel), for defendant.

BRALEY, J.—The plaintiff corporation, as found by the master, began the manufacture and sale of toothpicks five years and more before the bill was filed, and during this period has established a valuable business. It adopted in the marketing of the product a box or package of distinctive size and shape bearing in colors a characteristic design so collocated as to make the combination dissimilar from any label, form of package, or dress of goods then in use by other manufacturers or dealers. During the development of its trade a certain proportion of the packages had the imprint of the name of various jobbers to whom the exclusive sale of the goods had been given, or of some fanciful word or phrase suggested by them, and the entire production became classified as either the factory brand sold generally to the jobbing trade under brand names used only by the plaintiff, or the jobber's brand. But while the color of the printing and of the background on the factory brand differed from the jobber's brand, the quality of the goods was uniform, and every package as it left the factory bore the monogram of the plaintiff, with the further distinguishing design of a wreath overlapped by a curved band with an escalloped gold edge.

The plaintiff upon these findings, while claiming no rights of property in the brand name used by the jobber, had acquired a reputation and good will in connection with, and as a part of its business, which generally is recognized as a property right, and will be protected against the unfair competition of rival manufacturers or dealers in similar products. *Gco. C. Fox Co. v. Glynn*, 191 Mass., 344, 349, 78 N. E., 89, 9 L. R. A. (N. S.), 1096, 114 Am. St. Rep., 916; *Reading Stove Works v. S. M. Howes Co.*, 201 Mass., 437, 438, 87 N. E., 751, 21 L. R. A. (N. S.), 979; *Drapser v. Skerrett* (C. C.), 116 Fed., 206. It is wholly immaterial where this right has been invaded, that the retail or wholesale dealer who may be the immediate purchaser of goods put out in imitation, is not misled as to their identity. The wrong of unfair competition is present where goods are so dressed in form, or marked by decorative symbols, that the ultimate consumer, when the goods are distributed for use in the ordinary course of trade, either is, or possibly may be deceived. The

liability to deception being the test, it also is not necessary to show that specific buyers have been actually deceived, or that the infringer did intend to deceive the public. He is bound to know the probable consequences, where the means of such deception have been supplied by him, *New England Awl Co. v. Marlborough Co.*, 168 Mass., 154, 46 N. E., 386, 60 Am. St. Rep., 377; *Reading Stove Works v. S. M. Howes Co.*, 201 Mass., 437, 440, 441, 87 N. E., 751, 21 L. R. A. (N. S.), 979, and cases there cited.

The defendant, for the purpose of acquiring the extensive trade of a jobber with whom the plaintiff did business, deliberately duplicated the plaintiff's box or package in every particular, with the exception of the monogram, and thereafter these receptacles, filled with toothpicks in which the defendant although not a manufacturer very largely dealt, were widely distributed to consumers through dealers in the trade to whom it sold them. This misappropriation having been an invasion of the plaintiff's exclusive right to the form, style and dress of the box or package in which its goods had been marketed, it is entitled to injunctive relief even if the defendant has acted innocently. But as the defendant must be presumed to have contemplated the probable effect of its purpose to acquire so far as possible the plaintiff's customers and trade, it is liable for both actual damages, and profits, if any, realized from the sale of toothpicks in the imitation packages. *Regis v. Jaynes*, 191 Mass., 245, 77 N. E., 774; *Reading Stove Works v. S. M. Howes Co.*, 201 Mass., 437, 441, 442, 443, 87 N. E., 751, 21 L. R. A. (N. S.), 979. By the terms of the reservation of the single justice, the case is to stand for further hearing upon these questions.

Decree accordingly.

COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

IN RE SCHWEINFURTER PRACISIONS-KUGEL-LAGER-WERKE
FICHTEL & SACHS

(177 O. G., 243.)

February 5, 1912.

1. DESCRIPTIVE MARK—REPRESENTATION OF BALL-BEARING AND LETTERS "F & S" FOR BALL-BEARING.

A mark consisting of the representation of a ball-bearing intertwined with the letters "F & S" is descriptive as applied to ball-bearings, since its most prominent feature is the figure representing a ball-bearing and it as accurately describes the articles to which it is applied as would the printed words "Ball-Bearing."

2. REGISTRABILITY—WHOLE TO BE CONSIDERED.

In considering whether a trade-mark is registrable, the mark must be considered in its entirety. (*Johnson v. Brandau*, 139 O. G., 732; 32 App. D. C., 348.)

Mr. J. C. Dowell, for the appellant.

Mr. W. S. Ruckman, for the Commissioner of Patents.

SHEPARD, C. J.—This is an appeal from the decision of the Commissioner of Patents denying registration of a trade-mark. The mark consists of a figure representing an annular "ball-bearing" intertwined in which are the letters F & S in large ornamental type. It is applied to a class of goods particularly described as—

ball bearings, race rings for ball bearings, ball retainers, ball spacers and separators, appliances for fixing ball-bearings upon shafts or journals, roller bearings, balls and rollers for bearings, sup-and-cone bearings, journal bearings, thrust bearings, journal bearings, bearing casings, axles, hub boxes and casings, inner boxes and casings for shaft bearings, lubricators, shaftings, couplings, pillow blocks, bearing brackets, shaft hangers and frames, toothed wheels, sprocket-wheels and sprocket-chains, power transmitting and transforming gears, multiple speed gears, change gears, differential gears, pulleys, pulley-blocks, cranes, windlasses, steam and gas engines and motors, hydraulic motors, turbines, pumps, blowers, grinding machines, drilling machines, planers and lathes, and repair parts of the foregoing.

Registration was refused, first, because the representation of the "ball bearing" is descriptive; and, second, because it so nearly resembles a representation of a "ball bearing" previously registered by one Kempster, as to be likely to produce confusion in trade.

The trade-mark must be considered in its entirety as applied for. (*Johnson v. Brandau*, 32 App. D. C., 348-353.) Hence we need not follow the argument that F & S is a valid technical trade-mark of itself.

We agree with the Commissioner that the mark applied for is descriptive within the meaning of the Trade-Mark Act. Its most prominent feature is the figure representing a ball-bearing

and as accurately describes the articles to which it is applied as would the printed words—Ball Bearing.

It is not necessary to consider the second ground of rejection.

The decision will be affirmed. It is so ordered, and that this decision be certified to the Commissioner of Patents.

COMMISSIONER OF PATENTS

EX PARTE, ELLIOTT JEWELRY COMPANY

(177 O. G., 242.)

February 29, 1912.

CONFLICTING MARKS—"EJCo" IN A MONOGRAM AND "E. J. Co."

The letters "EJCo" arranged in the form of a monogram are deceptively similar to the prior registered trade-mark "E. J. Co."

Mr. Watson E. Coleman, for the applicant.

TENNANT, Assistant Commissioner.—This is an appeal from the action of the Examiner of Trade-Marks refusing to register a mark consisting of the letters "EJCo," in view of the prior registration by the Enterprise Jewelry Company of the trade-mark "E. J. Co.," No. 80,045, November 1, 1910.

The applicant in its argument pointed out the differences between these marks as being that the registered mark consisted in the initials "E. J. Co.," whereas the applicant's mark is arranged in the form of a monogram of a distinctive appearance, the letter "E" having its upper and lower strokes of such length as to inclose the rest of the mark, and it is argued that the marks have such a dissimilar appearance that there is no liability of confusion in trade or in the minds of purchasers using the ordinary caution expected of them.

The Examiner states in his answer to the appeal that—

applicant desires to register the identical letters shown in the registered mark and does not point out any difference except in the arrangement of these letters. The slight difference in appearance is regarded as immaterial.

I find no error in the decision of the Examiner. The signi-

ficance of the marks is identical, they are alleged to be applied to the same class of goods, and the slight difference in appearance clearly would not avoid the likelihood of confusion if these marks were used on merchandise of the same descriptive properties.

The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE, THADDEUS DAVIDS CO.

(171 O. G., 749.)

March 1, 1912.

DESCRIPTIVE TERM—"SIGNATURE" FOR INKS.

The word "Signature" is not registrable as a trade-mark for writing-inks, since it is descriptive of a characteristic or quality of the goods.

Mr. W. P. Preble, Jr., for the applicant.

MOORE, Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks, refusing to register the word "Signature" printed in script type as a trade-mark for writing-inks.

Registration was refused upon the ground that the mark is descriptive of the ink to which it is applied within the meaning of Section 5 of the Trade-Mark Act, since it indicates that the ink is intended for use in writing signatures. In support of his holding the Examiner cites the case of *Duoseph Chemical Co.*, (104 MS. Dec., 91,) in which the word "Household" was held descriptive as applied to peroxide of hydrogen for family use.

Applicant's label filed with the present application bears these words:

This fluid is made especially for signatures, it being permanent and non-copying. Can be used with fountain, stylographic or steel pens. Flows freely and never clogs.

In view of this statement it is believed that there can be no doubt that the mark is descriptive. Any other manufacturer who desires to do so should be privileged to prepare an ink especially for signatures and to call it signature-ink.

The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE, SHINOLA COMPANY

(177 O. G., 524.)

March 4, 1912.

DUPLICATE REGISTRATIONS.

The Commissioner has authority to grant a second registration of a trade-mark to the same party and where good reasons are shown to justify such action, the second registration should be granted.

Messrs. Osgood, Davis & Dorsey and Mr. Geo. H. Evans,
for the applicant.

BILLINGS, First Assistant Commissioner.—This is an appeal from a decision of the Examiner of Trade-Marks and Designs refusing to register to the Shinola Company the word "Shinola" as a trade-mark for shoe-polish.

Registration was refused for the reason that appellant's mark and goods are identical with the mark and goods shown in certificate No. 54,769, issued July 31, 1906, to the American Chemical Manufacturing and Mining Company.

It appears from the assignment records of this Office that the Shinola Company is the same entity as the American Chemical Manufacturing and Mining Company, the name of the company having been changed by order of a competent court. The Examiner of Trade-Marks ruled that registration to the Shinola Company can be granted only upon the condition that the registration to the American Chemical Manufacturing and Mining Company be canceled.

The appellant set forth that there are many registrations in foreign countries now in force which have been effected under treaty provisions, that these registrations now stand in the name of the American Chemical Manufacturing and Mining Company, and that to cancel its registration in this country would *ipso facto* invalidate the foreign registrations. It is also submitted that other registrations are now sought by the appellant in foreign countries; that these foreign countries require that registration be first obtained by the appellant in this country; that some of them are not satisfied with the showing of registration in this country by the American Chemical Manufacturing and Mining Company and the submission of proofs that the name

of that company had been changed by order of the court to the Shinola Company and require as a condition precedent to registration a certificate of registration in this country by the applicant Shinola Company. It is urged, therefore, that the new registration should be granted to the Shinola Company, provided the Trade-Mark Act of 1905 does not prohibit it.

The Examiner of Trade-Marks holds that the Patent Office having issued the registration to the American Chemical Manufacturing and Mining Company has exhausted its jurisdiction to issue another registration for the same trade-mark applied to the same goods to the same company under a different name.

The Examiner states:

With regard to (1) and considering the Trade-Mark Act of February 20, 1905, as amended, it appears therefrom that said act requires the Commissioner of Patents to issue a certificate of registration to the owner of a trade-mark upon the compliance of the latter with certain specified requirements. These requirements having been complied with and the Commissioner of Patents having issued a certificate of registration, then it seems to the Examiner that the authority conferred by this act on the Commissioner of Patents has been exhausted.

Section 1 of the Trade-Mark Act of 1905 provides, under conditions not necessary to state here, that "the owner of a trade-mark may obtain registration." Section 5 of the same act provides that a trade-mark which is otherwise registrable shall be refused registration when it is identical with or so nearly resembles a registered or known trade-mark as to be likely to cause confusion or mistake in the mind of the public, or to deceive purchasers, only when such registered or known trade-marks are "owned and in use by another."

Sections 1, 2, 3, and 4 also provide for the registration of trade-marks in this country by owners who reside in or are located in any foreign country which by treaty or law affords similar privileges to citizens of the United States. Where the applicant resides or is located in a foreign country, the registration or application for registration in that foreign country shall be established as a fact as a condition precedent to the registration of the same trade-mark in this country.

The provisions of these sections of the Trade-Mark Act are in accordance with the treaties entered into, respectively, by this country and by certain foreign countries which provide

for similar privileges to citizens of the United States. This being so, the provisions of law relating to the registration of trade-marks in this country should not be so construed as to deprive residents or citizens of the United States from benefits of the treaty provisions unless the Trade-Mark Act clearly demands such a construction.

As above pointed out, the provisions of the Trade-Mark Act deny registration to the alleged owner of a mark which is otherwise registrable only when the same mark has been previously registered by or known to be used by another.

The same reasons which prohibit double patenting can not be properly urged against the double registration of trade-marks, for the two laws are based on entirely different principles. In the construction of statutes it is a well-settled principle that a general act must be considered in its entirety and the separate provisions thereof brought into harmony with one another.

It has been urged by the Examiner that it would be against public policy to grant two separate registrations of the same mark to the same party under different names, notwithstanding the fact that the name has been changed by legal process. Whatever confusion might exist in the minds of the public by this second registration is greatly overbalanced by the actual wrong and hardship which would result from the refusal to again register the trade-mark to the same party under another name, which has been changed by judicial process, for the refusal to grant the second registration would deny to the applicant his right to register in foreign countries, which right would be retained to him by the grant of the second registration in this country.

It has been suggested by the Examiner that the mark may be registered only upon cancellation of the previous registration, and Section 13 of the Trade-Mark Act has been referred to as authorizing this cancellation. Without deciding this question, for in the view which I take of this case it is not necessary to do so, it is observed that the cancellation of a trade-mark can be effected under Section 13 only in the event that the applicant for cancellation shall deem himself injured by the registration of the trade-mark sought to be canceled.

In this particular case the Shinola Company, the appellant, instead of deeming itself injured by the registration of the trade-mark to the American Chemical Manufacturing and Mining Company would deem itself injured by the cancellation of that trade-mark. Appellant therefore could not set up the facts necessary to give the Patent Office jurisdiction to cancel the previous registration.

There is nothing in the trade-mark law to prohibit and much to justify the second registration of a trade-mark to a party where good and sufficient reasons are shown to justify the same. Such a showing has been made in this case.

The decision of the Examiner of Trade-Marks and Designs is reversed.

THE MICHIGAN TEA RUSK CO. V. HOLLAND RUSK CO.

(176 O. G., 1071.)

March 16, 1912.

TRADE-MARK—CANCELLATION—SHOWING OF INTEREST BY APPLICANT.

Where his petition shows that the applicant for cancellation is not using the registered mark or one so nearly resembling it that their simultaneous use would be liable to cause confusion, he has not shown a likelihood of damage and the petition for cancellation must be dismissed.

Mr. Theodore K. Bryant and *Mr. Mortimer A. Sooy*, for The Michigan Tea Rusk Co.

Messrs. Munn & Co., for the Holland Rusk Co.

BILLINGS, First Assistant Commissioner.—This is an appeal by The Michigan Tea Rusk Co. from a decision of the Examiner of Interferences sustaining a demurrer and dismissing the application for cancellation.

It appears that the mark sought to be canceled is the word "Holland," for rusk. It clearly appears from the petition for cancellation that The Michigan Tea Rusk Co. does not now use the word "Holland" as a trade-mark for rusks, but that it uses the word "Dutch."

The petitioner has not set up in the petition for cancellation

sufficient facts to show an interest in the subject-matter thereof to give the petitioner the right to intervene. As stated by the Court of Appeals of the District of Columbia in the *Underwood Typewriter Company v. A. B. Dick Company*, (162 O. G., 730:)

"The right of the petitioner to intervene was dependent upon a showing of interest. The statute does not contemplate that any one may petition the Commissioner to cancel a trade-mark duly registered, but it does provide that any one who 'shall deem himself injured may do so.' The petition must, therefore, contain a statement of fact on this jurisdictional question, sufficiently full to show that the petitioner has been injured by the registry of the mark he seeks to have canceled; and this fact must not be left to conjecture, but must affirmatively appear. * * * The averment that it has used the word as a trade-mark is not sufficient for the obvious reason that, unless the word has been used in the same business as that in which it was used by the appellant, no injury contemplated by the statute would have resulted, and no right to intervene would have followed. The averment in the sixth paragraph is merely a conclusion of the pleader unsupported by the facts previously set out. Such an allegation is insufficient. (*McIlhenny's Son v. New Iberia, etc., Co.*, 30 App. D. C., 337-339)."

The proceeding in the foregoing case was for the cancellation of a registered trade-mark, but the statutory ground of opposition is the same, namely, on behalf of one who believes he would be damaged by the registration of a mark; and the same rule has been applied to an opposition. (*Battle Creek Sanitarium Co. v. Fuller*, 30 App. D. C., 411-415.) In that case it was said:

"It is not sufficient for the opponent to say that he believes he would be damaged. He must allege some fact showing an interest in the subject-matter, from which damages might be inferred. If he has not used the mark as a trade-mark upon goods of a like description, he can suffer no damage from its registration by another."

Tested by the rule declared in those cases, the opposition is fatally defective. The opponent does not claim to have manufactured and put on the market a similar article to that on which the trade-mark has been used. The sole ground of opposition, therefore, is that the trade-mark of the proponent has become public property by reason of the expiration of the patent upon the machine. If the opponent has the right to oppose the registration, any other person could be recognized to make the same opposition in the public interest which, so far as the pleading is concerned, is all that is involved.

Tested by this rule the petition for cancellation is fatally defective, for it nowhere appears therefrom that the petitioner is using the trade-mark "Holland" as a trade-mark for rusks, which is the mark sought to be canceled.

The only ground upon which the petition for cancellation could be held effective is that the two words "Dutch" and "Holland" are so nearly alike as to be likely to deceive purchasers.

I agree with the Examiner of Interferences that the words

"Dutch" and "Holland" are not so nearly alike as to cause confusion in the minds of the purchasing public.

It follows that the petition for cancellation must be dismissed. The decision of the Examiner of Interferences is affirmed.

DIGEST OF MANUSCRIPT DECISIONS

Deceptive Marks.

The words "Crown Watch Co." as a trade-mark for watches and parts thereof were properly refused registration on the ground that they are misleading and deceptive, indicating to the ordinary purchaser that the Crown Watch Company is the producer of the goods, whereas the Keystone Watch Case Co. is in fact the manufacturer. The applicant contended that the commissioner has no authority to refuse to register a trade-mark on the ground that it is deceptive, for this is not one of the prohibitions against registration contained in the trade-marks act. The act does, however, provide that no action or suit shall be maintained under the provisions of the trade-mark law where the mark has been used with the design of deceiving the public in the purchase of the merchandise. The deceptiveness of the mark being a good defence to a suit, brought under the act, it was the duty of the examiner to reject a mark which was deceptive and upon which no suit can be maintained. It may be contended by the applicant that there is no such manufacturer of watches and parts of watches as the Crown Watch Company, but the mark would still be deceptive since it would evidently indicate to the purchaser that there was or had been such a company. If there is no such company, the mark is clearly deceptive and if there were such a company, the mark, being a mere corporate name, would not be registrable unless shown in a distinctive form. ⁽¹⁾

The advertising of corsets as handmade when the proof shows that machinery of some kind was used in their manu-

(1) Ex parte, Keystone Watch Case Co., September 24, 1911.

facture, although a great part of the work was done by hand, is not enough to justify the refusal of registration to the owner of mark employed upon such goods. ⁽¹⁾

Conflicting Marks.

The mark consisting of the portrait of Pastor Koenig beneath which is the word "Vinces" and having the representation of a transparent intersecting anchor and cross with radiating lines superimposed upon the portrait should not be refused registration by reason of an earlier registered mark, showing the representation of an anchor and cable.

Moreover, it appearing upon the application for registration that the mark upon which the objection was based was registered January 13, 1885, No. 11855, and on May 10, 1892, under the No. 21103, that substantially the mark now applied for was registered to the same applicant without the declaration of any interference between that and the earlier registered mark and that on December 14, 1909, the first named mark was registered in substantially the same form under the No. 76127, without any declaration of interference between that mark and the registered mark of the applicant, the past recognition by the patent office of dissimilarity between the marks in question is entitled to be considered in determining the propriety of the ruling of the examiner, refusing registration to the mark applied for. The resemblance between the two marks is in fact so remote that there is no likelihood of conflict between them. ⁽²⁾

A label showing an arbitrary and distinctive design against a background formed of zigzag stripes alternately red and white is not so nearly like a trade-mark, consisting of a label one-half white and one-half red as to be likely to cause confusion. In the case of the former mark, the stripes merely formed a background for the design and mere semblance in colors of the labels is not sufficient to warrant an inference of confusion. ⁽³⁾

An affidavit of disclaimer by the applicant having been filed

(1) Jackson Corset Co. v. Joseph Cohen, July 31, 1911.

(2) Ex parte, Koenig Medicine Co., January 31, 1911.

(3) Ex parte, Merrell-Soule Co., March 11, 1911.

as required by the previous decision in this case (Reporter Volume I, p. 129), it is held that the words "Little Red Hen" to which the applicant's mark is now reduced do not conflict with a previous registration, showing the picture of a hen, although it be displayed against the background of a red seal. The goods bearing the latter mark are not likely to become known as the "Little Red Hen" or the "Red Hen" brand of goods and there is, therefore, no probability of the public being confused.⁽¹⁾

The word "Velooze" should not be denied registration because of the prior registration of the words "Velourita," "Velourette," "Velreine," "Velutina" and "Velvel."

Citing, *Hall & Ruckel v. Ingram*, 126 O. G., 759; *F. A. Sarg's Sohn v. Hall & Ruckel*, 165 O. G., 732. ⁽²⁾

A trade-mark showing the letters "S. & W." in white against a black diamond shaped background is not so similar to another trade-mark consisting of the word "Ladyware" enclosed in a diamond shaped outline as to be likely to cause confusion. The view of the examiner of trade-marks that the presence of the diamond in each case would lead to the goods being known as the diamond brand is erroneous. The marks are strictly different in spite of the presence of the diamond design in each of them ⁽³⁾

As to the question of deceptive similarity between three trade-marks, one consisting of the words "Gold Seal," the second, of the words, "Gold Leaf" and the representation of a leaf, and the third of the words, "Golden Sheaf" and the representation of three sheaves with an ornamental portrait, there may be considerable doubt. When, however, all parties agree that there is no such similarity, the doubt should be resolved in favor of the parties to relieve them of the burden of a useless and unnecessary interference. ⁽⁴⁾

The name "Automobile Trade Directory" as applied to a directory of the automobile trade is not deceptively similar to the name "Cycle and Automobile Trade Journal." The law

(1) Ex parte, Wayne County Poultry Tonic Co., March 31, 1911.

(2) Ex parte, Julius Einstein, April 1, 1911.

(3) Ex parte, Schwartz & Wild, May 10, 1911.

(4) W. P. Squibb & Co. v. Isaac Solomon, August 7, 1911.

governing trade-marks for publications is the same as for other merchandise, but purchasers of newspapers and publications are more discriminating than the usual purchaser of other goods and hence differences between trade-names need not be so great as in the case of ordinary merchandise. (1)

An application to register a trade-mark consisting of the portrait of the historical Indian chief "Black Hawk," associated with the name Black Hawk, as a trade-mark for wheat flour was rejected by reason of certain prior registrations, showing various pictures of Indians. It was held that the picture, being a likeness of the Indian chief named, is registrable under the Section 5 of the trade-mark act, which provides that the name and portrait of a deceased individual may be registered. (2)

A mark consisting of the picture of a standing dog and the words "Pointer Brand" is so like to two other marks, consisting respectively of the words "Bull Dog" and the representation of a bull dog standing in an attitude of attention as to cause confusion, particularly so since the opponents were the first to make use of the representation of a dog as a trade-mark for suspenders.

Distinguishing, on this latter ground, *Nestle & Anglo-Swiss Condensed Milk Co. v. Walter Baker & Co., Ltd.*, Reporter, Vol. I, p. 90.

Citing, *Read v. Richardson* 45 L. T. (N. S.), 54; *Wayne County Preserving Co. v. Olney Canning Co.*, 140 O. G., 1003; *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, Rep. Vol. I, p. 37. (3)

The words "Candy Kid" accompanied by the grotesque figure of a boy's head and bust are not so like to a mark consisting of the word "Kid" alone as probably to cause confusion. (4)

(1) *Chilton Printing Co. v. Class Journal Co.*, September 26, 1911.

(2) *Ex parte, Western Flour Mill Co.*, October 23, 1911.

(3) *Hewes & Potter v. Chattanooga Suspender Co.*, November 11, 1911.

(4) *Ex parte, Camp Chocolate Co.*, December 7, 1911.

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No. 5

UNITED STATES CIRCUIT COURT OF APPEALS

WILLIAMS SOAP CO., *et al.* v. J. B. WILLIAMS SOAP CO.

(193 Fed. Rep., 384.)

Seventh Circuit, April 11, 1911

I. TRADE-NAME—USE OF FAMILY NAME.

A corporation, the J. B. Williams Soap Co., engaged since 1845 in the manufacture and sale of "Williams Soap," may enjoin the use of the corporate name "Williams Soap Co." by another corporation or the use of the name Williams, either in its corporate name or in any of its brands, labels, packages or advertisements, unless accompanied by means of distinguishing its name and product from those of the former company, either by adding to the name some word or words other than a Christian name, or by adding a statement that the goods are not those of the earlier company.

2. INFRINGEMENT OF TRADE-NAME—DEFENDANTS.

Officers of a corporation who control it and dictate its policy are properly defendants in a suit to restrain the corporation from acts of unfair trade in the use of its corporate and trade-name.

Appeal from the circuit court of the United States for the district of Indiana. Rehearing denied July 27, 1911.

Charles T. Hanna and Thomas A. Daily, for appellants.
V. H. Lockwood, for appellee.

Before GROSSCUP, BAKER and SEAMAN, Circuit Judges.

BAKER, Circuit Judge.—Appellants were enjoined from using in any of their soap brands, labels, packages, and advertisements the word “Williams”—

“either in a corporate name, or in the name of any business concern, or as an individual name, or in any manner, without distinguishing such word from the complainant's name and the complainant's products and advertising matter by adding to the word ‘Williams’ some other word or words, which shall not be merely a Christian name, or by joining with the printed corporate or business name such printed words as will say in effect that the soap designated or referred to by such other printed words is not the soap manufactured by the J. B. Williams Company of Glastonbury, Connecticut.”

Appellee is owner of an old and well-known business at Glastonbury. The shaving-soap part of the business dates back to 1845. The evidence is that toilet soaps were added at least as early as 1885. On soaps, wrappers, cartons, boxes, and in all advertisements the word “Williams” has always been conspicuously displayed. For 50 years the products have been popularly known as “Williams Shaving Soap” or “Williams Soap,” and the company as “Williams Soap” Company. The name is of great value, and appellee has always endeavored to protect it.

In 1895 one Whitney and one William Williams, as Whitney & Williams, began a soap business at Indianapolis, Ind. George, a brother of William, soon bought out Whitney, and the business was continued as Williams Bros. In 1899 this firm was succeeded by the William Williams Soap Manufacturing Company, a corporation. In 1902-03 the appellants S. F. and J. M. Daily bought all of William Williams' stock and all of George's except nine shares. George remained as superintendent till October, 1903, when he ceased to have any part in the management, and in October, 1904, sold his last share. In May, 1904, the corporate name was changed to the Williams Soap Company. From the time of Williams Bros. to the present the public and customers have referred to the factory or company as the “Williams Soap Factory” or “Williams Soap Company.”

About June, 1904, appellants put forth a brand of shaving soap in a carton which in size, color, and general appearance was quite similar to a carton of complainant's. The resemblance was

not intended. After remonstrance of appellee, appellants changed the size and color, and quit sending out the first design.

In 1903, after the Dailys were in control, they put forth a brand, "Genuine Antiseptic Shaving Soap, Manufactured by Williams Soap Co." This was a fraudulent imitation of appellee's oldest label. The Dailys were familiar with appellee's label. They approached it in size and color, and their use of "Williams Soap Co." without name or location of the actual makers was particularly deceptive. On June 23, 1904, appellants shipped their last order of this brand, and thereafter discontinued the sale.

Prior to August, 1904, appellants had used the word "Williams" as part of the name of brands of toilet soap, for instance, the brand "Williams Antiseptic Tar Soap." On appellee's complaint in August, 1904, appellants discontinued such use.

Soap of appellants was sold by retailers, who stated to the purchasers that the soap was the much-advertised Williams Shaving Soap, the kind that barbers use.

By conferences and correspondence extending from August, 1904, to April, 1905, appellee endeavored to secure protection of its rights without suit. The end was that, while appellants admitted they had no right to use "Williams" as the name, or as a part of the name, of a brand of soap, they insisted that no wrong had been done in taking or using the name, "Williams Soap Company," and therefore intended to use the name in the future as they had in the past.

Appellants, before suit was brought, ceased to imitate labels and abandoned the word "Williams" as the name, or as any part of the name, of a brand of soap. The quitting was under circumstances which indicated that those offenses would not be repeated. Unless, therefore, the use and the threat to continue the use of the name "Williams Soap Company" were wrongful, an injunction would not be justifiable. *Kennicott Co. v. Bain*, 185 Fed., 520, 107 C. C. A., 626.

A family name, like Williams, can not be exclusively appropriated by any one. Others, of the same name, may use it in all legitimate ways. *Donnell v. Herring-Hall-Marvin Safe Co.*, 208 U. S., 367, 28 Sup. Ct., 288, 52 L. Ed., 481; *Herring-Hall-*

Marcin Safe Co. v. Hall's Safe Co., 208 U. S., 554, 28 Sup. Ct., 350, 52 L. Ed., 616. Therefore, appellants say, the Indianapolis Williamses had the right to go into the soap business and to use their name in connection therewith. That is so, provided their use of the name did not carry a false impression. When the Indianapolis Williamses had their last say, they put their name in the corporate title, William Williams Soap Manufacturing Company. Whether that act of theirs was an infringement of complainant's rights is not very material now. The Dailys obtained control of that corporation in 1903. Although no person by the name of Williams had any voice in the management after April, 1903, the Dailys were entitled to maintain the name and good will of the corporation into which they bought. *Chickering v. Chickering & Sons*, 120 Fed., 69, 56 C. C. A., 475. But they had no personal right to the name Williams. Their change of the corporate title to the Williams Soap Company is explained, on this record, not by any desire of men engaged in business to use their family name therein, nor by any necessity of changing the name in order to preserve the good will of the establishment, but by an intent to avail themselves of the reputation attaching to "Williams Soap." The intent involved in the imitation of the yellow label and in the use of the word "Williams" in the names of toilet soaps is too obvious for comment. Repentance and reform may have limited the remedy that was needed by way of injunction, but the offensive acts remain as applicable evidence of the intent involved in the Dailys' change of the corporate name. They knew that in popular phrase their company was referred to as the Williams Soap Company. They knew that such was not the name of their company, but that "Williams Soap" was the name of appellee's product. If, therefore, they should put "Williams Soap Company" on their product, retailers could sell it on the reputation of "Williams Soap." And so they used "Williams Soap Company" on the fraudulent yellow label before they accomplished by the necessary legal procedure the change of corporate name. But with the fraudulent imitations of cartons and labels out of the way, the use of "Williams Soap" as the name of the appellant company has all the effect of a falsehood. The public would be likely to believe that "Baker's

Chocolate" Company, "Hall's Safe" Company, "Williams Soap" Company, "Bates Numbering Machine" Company, were respectively the makers of those well-known products, if no explanations were made. *Bates Mfg. Co. v. Bates Numbering Mach. Co.* (C. C.), 172 Fed., 892.

The Dailys were properly made defendants. They were not acting as mere agents of a corporation. The corporation was rather an instrument in their hands.

No error was committed in ordering an accounting. Repentance does not satisfy the damages.

The decree is affirmed.

UNITED STATES CIRCUIT COURT

AMERICAN TOBACCO COMPANY V. GLOBE TOBACCO COMPANY.

(193 Fed. Rep., 1015.)

*Eastern District of Michigan, Southern Division,
December 2, 1911.*

I. MARK COMMON TO THE TRADE.

The word "Union" is common to all in the tobacco trade, and can not be exclusively appropriated.

2. TRADE-MARK INFRINGEMENT.

Assuming that the words "Union Leader" were a valid trademark, *it seems* that they would not be infringed by the use of the words "Union World."

3. UNFAIR COMPETITION—IMITATION OF TRADE-NAME AND PACKAGE.

The name "Union Leader" not being subject to exclusive appropriation by the complainant, the use of the words "Labor Leader" is not unfair competition when not united with deceptive similarity in the package. A red wrapper with gilt lettering is common to the tobacco trades. Complainant's package being distinguished by a red, white and blue band, which the defendant in no wise imitates, *held* that there is no unfair competition.

4. INFRINGEMENT—DECEPTION OF CARELESS BUYER.

Equity will not interfere to protect the careless or inattentive purchaser from possible deception.

In Equity. On final hearing.

Reed & Rogers, for complainant.

Frank H. Watson and Charles Hamper, for defendant.

ANGELL, District Judge.—This is a bill to restrain an infringement of a trade-mark and unfair competition.

Complainant puts out a brand of tobacco known as "Union Leader Cut Plug." It uses a paper package, wrapped in tinfoil, to contain 1 2/3 ounces, a cloth bag or pouch to contain 3 ounces, a tin box to contain 8 ounces, a canister to contain 16 ounces; also a still larger tin box, shaped like a lunch box, with a handle over the top. Each of these packages is colored red in some shade, the foil package being the darkest, and, perhaps, properly described as maroon. The words and symbols used on the face of each form of package are substantially the same, and are as follows: At the top the words "Union Leader," at the bottom "Cut Plug." Between these phrases is a representation of a square parcel of tobacco with an eagle in gilt perched on it. Around the middle of each package, and so placed as to hide in part the representation of the parcel and eagle, is lithographed, or pasted, a red, white, and blue band bearing the words, "Genuine Union Leader Genuine," on the front of the package, and on the back the words, "all genuine Union Leader bears this brand for the Protection of the Public against imitations." The words "Union Leader" and "Cut Plug" are in bright gilt letters, except on the pouch, where black letters are used. None of these packages shows the name of the manufacturer. The thing which first attracts attention in looking at any of these packages at a distance of a few feet, when the packages are upright, is this highly colored red, white, and blue band.

It appears from the evidence that up to five or six years ago the complainant had not used this band, but that, shortly after litigation in which claim was made that its package and label was an infringement of the rights of the owner of the "Central Union" Cut Plug brand, it adopted and has since used this distinguishing band. The defendant, beginning early in 1908, and after complainant used its band on the package, put out a cut plug tobacco which it calls "Union World." This is put up in packages containing the same weight of tobacco as those mentioned above, except that it puts out none in the "lunch box" package. The color of its package is red. The red used on the larger packages is distinctly less bright than that used by com-

plainant. There is not much difference in the color of the foil packages—the smallest and cheapest. The lettering is in gilt, but differs decidedly in size and appearance from that used by complainant. The words on the smallest package are "The Labor Leader" at the top, always in quotation marks, and in type so small as to be hardly visible a few feet away; below them in large type in relief "Union"; at the bottom, likewise in relief, "World." Between "Union" and "World" is a representation in gilt, on the maroon background, of an arm bent with a hammer in the hand surrounded by a portion of a spherical projection of the world. At the top of this representation is the word "trade" and at the bottom "mark." This representation appears upon each of the packages except the box containing eight ounces, and except that box each package shows near the top on the front the words, in quotation marks, "The Labor Leader," and somewhere the words, "Not made by a trust." The pouch and the canister show the name of the manufacturer.

Complainant claims that the words "Union Leader" constitute a trade-mark; that this trade-mark is infringed by the words "The Labor Leader," "Union World"; that it has acquired an exclusive right to use the words "Union" and "Leader" on tobacco packages of the general type of those it puts out, because, due to energy and the expenditure of great sums of money, all over the country the words and the packages have come to indicate the origin of the goods; that defendant's packages, due to their dress and labeling, constitute an infringement of its exclusive rights, and that defendant's conduct is wrongful. The general claims of the complainant may be considered in the order stated.

The word "Union" is common to every one in the tobacco trade. To this word it has been distinctly held, in favor of this complainant, there can be no exclusive right. *U. S. Tobacco Co. v. McGreener* (C. C.), 144 Fed., 531, affirmed 144 Fed., 1022, 74 C. C. A., 682. The defendant and its predecessors in title have for many years used the word "Leader" upon tobacco manufactured by it and them, and one of its predecessors copyrighted the word, whether lawfully or not, more than 30 years ago. That its use has been mainly on chewing tobacco is not important.

Layton Co. v. Church Co., 182 Fed., 39, 104 C. C. A., 475, 32 L. R. A. (N. S.), 274, and cases cited. As against defendant, complainant can not successfully contend that it has acquired a trade-mark in the word "Leader."

The words "Union World" are so different in sound and meaning from the words "Union Leader" that, as words and irrespective of the get-up on which they are used, I think they could not be held to infringe the latter, even if the latter were held to be entitled to protection as a trade-mark.

What appears to be the principal contention of complainant remains to be considered.

It is insisted that the use on three of the packages of the words in quotation marks "The Labor Leader," above the word "Union," and at some distance from the word "World," amounts to an infringement of trade-mark and a wrong to complainant in view of the general likeness of the size and color of the packages, and of the way in which, and the extent to which, the complainant has advertised its goods. There are some resemblances in the packages, but most of them arise "from features which have been combined in common use and to which no one has exclusive right. That any one is deceived by the size, shape, tinfoil, or general make-up of the package, or by its paper, lettering, or color, does not help the complainant's case. All these are old, separately and in combination. The complainant must show deception arising from some features of its own not common to the public." Lowell, J., in *U. S. Tobacco Co. v. McGreener* (C. C.), 144 Fed., 532, affirmed 144 Fed., 1022, 74 C. C. A., 682. In that case the maker of "Central Union" Cut Plug sought to enjoin this complainant from putting out "Union Leader" without the tricolored band above mentioned. Injunction was denied. The Central Union package is in evidence here. The Union Leader package without the band in my judgment is more easily mistaken for the Central Union than for the Union World. Complainant has no exclusive right to the red color, nor to the size and shape of the packages, nor to the use of gilt letters on them. These things are undeniably open to the trade.

The controlling question in the case is this: Has the complainant any just ground of complaint because of the use by

defendant on its package of the words "Leader" and "Union" as they appear?

The rule is settled that "equity will not interfere where ordinary attention by the purchaser would enable him to discriminate" between the goods put out by the parties, and that one is not bound to prevent a purchase by a careless purchaser. *McLean v. Fleming*, 96 U. S., 245, 24 L. Ed., 828; *Coats v. Merrick Thread Co.*, 149 U. S., 562, 13 Sup. Ct., 966, 37 L. Ed., 847; *Columbia Co. v. Alcorn*, 150 U. S., 467, 14 Sup. Ct., 151, 37 L. Ed., 1144; *Lorillard Co. v. Peper*, 86 Fed., 956, 30 C. C. A., 496; *Continental Co. v. Larus*, 133 Fed., 729, 66 C. C. A., 557; *Regensburg v. Portuondo Co. (C. C.)*, 136 Fed., 869; *Am. Brew'y Co. v. Bienville Co. (C. C.)*, 153 Fed., 615; *Jamison Co. v. Jamison*, 15 R. P. C., 189; *Fels v. Hedley Co., Ltd.*, 21 R. P. C., 91; *King & Co., Ltd., v. Gillard & Co., Ltd.*, 22 R. P. C., 327.

With the tricolored band in use, it is hard to see how a person, even illiterate, who cared at all what goods he got, could be deceived into taking defendant's goods for complainant's. The testimony as to deception in the record, if admissible, only goes to show that careless purchasers have probably been deceived, not that purchasers who took enough interest in their purchases to look at the packages before pocketing them were deceived. The defendant puts on its package nothing remotely resembling the distinguishing band used by complainant.

It is urged by complainant that the court ought not to regard this tricolored band. But it had been used by complainant after the decision of the McGreenery Case for some time before defendant began putting out "Union World," and there seems to be no just reason for overlooking it in the make-up of complainant's goods. But, if it were disregarded, I am not prepared to hold that a person exercising ordinary care in buying would be deceived by the packages. As above stated, he would in my opinion be less likely to be misled than by the likeness of the packages involved in the McGreenery case. The testimony for complainant indicates that the ground of mistake would be the red package, and the use of the word "Union." Clearly the defendant can not be forbidden to use a red wrapper with the

word "Union" on it. In the present case, that word on the smaller packages is printed in distinctly different type from the word on complainant's package, and is above a symbol wholly unlike that on complainant's package.

But, whatever the proper conclusion, if defendant had put out its goods before complainant used the band, it is to my mind clear that, when it did put them out with nothing like the band on the package, it did no wrong to complainant.

Having reached this conclusion, it is unnecessary to consider some of the other matters discussed by counsel with much learning and thoroughness.

Decree must be entered for defendant.

UNITED STATES DISTRICT COURT

SAMSON CORDAGE WORKS v. PURITAN CORDAGE MILLS.

(193 Fed. Rep., 573.)

Western District of Kentucky, March 23, 1912.

TRADE-MARK—VALIDITY.

The method of marking a cord by means of checks, formed by the interweaving of a yarn of a color different from the others used in the making of the yarn, can not be exclusively appropriated, nor form a valid trade-mark. An arbitrary mark impressed upon a fabric may be a trade-mark; but a mark appearing upon the fabric as a necessary result of the process of making it from the materials used, can not be a trade-mark.

In Equity. On final hearing. For opinion on motion for preliminary injunction, see Reporter, Vol. II, p. 161.

Coale & Hays and McDermott & Ray, for complainant.

Helm & Helm, for defendant.

EVANS, District Judge.—This case is now before us for final determination. The record is precisely the same as it was when, on the 11th day of November last, we disposed of a motion for a temporary injunction. In an opinion then delivered (193 Fed., 274) we quite briefly expressed our views upon the essen-

tial question upon which the case must turn. We need not repeat much of what was then said.

This is not a suit for unfair competition in trade to which much of the argument of complainant's counsel might be more applicable, but is one based upon the alleged infringement of a trade-mark. The right to relief, therefore, depends upon the existence of a valid trade-mark. As previously indicated, we think none exists.

In manufacturing cordage the complainant combines as many threads or strands as may be desired. One of these is of a color different from all the others, which are of a uniform color. The process of fabrication by twisting and intertwining these strands into cord, and the regular appearance of spots on its surface as the result of the process was described in the former opinion. It will suffice now to say that in this way striking and probably decorative spots are made to appear on the surface of the cord—a red spot, if a red strand is used, and so on through the list of colors. The complainant insists that it may in this way appropriate all the colors for trade-mark purposes. As has been done time out of mind in making cordage by others, one thread of a different color from the others is used by the complainant. In the process of fabrication the colored thread, as the strands are twisted, makes spots of its own color on the surface of the cord. All this is part of the cord itself and can not be regarded as a "mark," arbitrary in character, within the meaning of trade-mark law. It is an inherent and necessary result of the fabrication of a rope out of strands of different colors, and hence can not be a trade-mark. Many cloth fabrics have more or less distinctively colored figures woven into them. These are not regarded as trade-marks but as decorative devices open to all and free from monopoly.

The line may be a narrow one, but we take it the distinction is this: When an arbitrary mark, not naturally part of the fabric, is in any wise impressed upon it, it may be a trade-mark, if so intended and used, but no spot made on or color imparted to a fabric as the inevitable or natural result of using the material of which the fabric is made can be the basis of a trade-mark, for the reason that the making of the spots thereon or the im-

partation of the color thereto by the use of appropriate raw material is open to the public generally, and may not be exclusively appropriated by anybody. Any other doctrine would be intolerable.

The complainant seeks support in the fact that it uses the trade-mark on sash cord, but we think such a limitation, if insisted upon, is immaterial. It may be, too, that, if a trade-mark is not applicable to the genus, it can not be so as to any species of cordage. However, it is not necessary to rule upon this proposition.

It may be that the defendant has closely and intentionally imitated complainant's fabric, but, however that might affect a suit of different character, it can not aid in assuring complainant's claim to a valid trade-mark.

It results that the bill of complainant must be dismissed, with costs.

BORDENS CONDENSED MILK CO. v. BORDENS ICE CREAM CO., *et al.*

(194 Fed. Rep., 554.)

Northern District of Illinois, Eastern Division, March 12, 1912.

UNFAIR COMPETITION—TRADE-NAME.

The name Bordens having become identified with the manufacture and sale of milk products through nearly fifty years of use by Bordens Condensed Milk Company and its predecessors, that company is entitled to enjoin the use of the name Bordens in connection with the manufacture and sale of ice cream without the use of some plain and unmistakable means of designating the product as not of the former's make.

In Equity. On motion for a preliminary injunction.

Pringle & Fearing, for complainant.

George W. Brown and Wharton Plummer, for defendants.

KOHLSAAT, Circuit Judge.—This cause is now before the court upon motion for a preliminary injunction. The amended bill represents that complainant and its predecessors have been engaged in the milk business in all its phases since the year 1864, having its main office and 11 other offices in Chicago; that it manufactures and sells 17 different milk products under the

name Borden, besides 14 products under other fancy names; that it has registered trade-marks used on more of said brands; that the name Borden was taken from the name of Gail Borden, the founder; that it has made great expenditures of money in and about building up its said business, and that the name Borden has become a trade-name of great value in the milk business and its products; that it handles cream, butter, condensed milk, evaporated milk, malted milk, caramels, milk chocolate, buttermilk, casein, and condensed coffee, and sells the same throughout the state of Illinois, much of it to confectioners to be used in making ice cream, and that it has spent large sums in placing said confection product in the market, so that the name Borden, used in connection with milk or cream foods, such as ice cream, would, in the public mind, identify such article with that of orator; that under its charter orator has the right to deal in the manufacture and sale of all forms of milk products and all articles incident thereto. The bill further represents that the defendants, Borden, Brown, and Stanley, applied for a license to incorporate on May 25, 1911, under the name "Borden Ice Cream Company," with full notice of complainant's rights in the premises, and were requested by complainant to drop the name Borden; that objection was also made to the Secretary of State; that, notwithstanding, defendant corporation was granted a charter on August 16, 1911, for the purpose of manufacturing and selling ice cream, ices, and similar articles.

The bill further states, on information and belief, that Charles F. Borden was given one share of stock in said corporation, having a face value of \$100, being one-fiftieth of the amount at which said corporation was stocked, in consideration for this consent to the use of his name in connection with said corporate name; that, therefore, he had never been engaged in the milk business, or any phase thereof, and that the adoption of said name was solely for the purpose of fraudulently appropriating the reputation of complainant's product; and that defendant Lawler subscribed for forty-seven fiftieths of said stock, and is believed to be the real owner of said corporation. The bill further sets out that complainant has the right to engage in the manufacture and sale of ice cream and similar articles, and

is about to do so, and to use the name Borden in connection therewith; that said articles of manufacture are closely allied to its present manufacture, and that the principal ingredients thereof are identical with its products; that defendant corporation intends to advertise its wares as the Borden product throughout complainant's territory aforesaid, in order to deceive and defraud the public into the belief that said wares are complainant's product, whereby the reputation of complainant's products will be greatly injured, and its business injured; that confusion will inevitably arise, and that customers of complainant will be unable to know that defendant's product is not that of complainant; and that each of said defendants is conspiring with the others to do said illegal acts for their several benefit, to the detriment and injury of orator.

The answer denies all the allegations of fraud, claiming that it has the right to use the name Borden Ice Cream Company, admits that Borden has only one share, and states that said Borden subscribed for said share in good faith, and is now the vice-president of the company. It denies that said share was given Borden without other consideration than the use of his name, but admits that he had never before been engaged in the ice cream or kindred business. The answer further states that Harry Lawler, one of the defendants, is the principal owner of the stock of said corporation, having subscribed to forty-seven fiftieths thereof, and that he is also the principal stockholder of the W. H. Collins Ice Cream Company, claiming \$40,000 fully paid stock thereof, doing business in Chicago and Cook county, and is, besides, a wholesale and retail dealer in ice in said county.

The answer denies all charges of conspiracy, all claims of intent on defendant's part to appropriate complainant's reputation or good will, and denies that complainant's business will be injured by the use of same name. It further denies that complainant has a property right in the name Borden, in connection with the milk business, any more than defendant Borden has.

From the pleadings and the affidavits filed herein, the court finds that complainant has, through great expense and business sagacity built up a very large trade in milk and milk products in Chicago and the state of Illinois under the name Borden; that

by its charter it is permitted to manufacture ice cream and kindred articles, and is about to do so; that in the milk and kindred trades the name Borden has become inseparably associated with complainant, and that the public so associates it; that defendant is just starting in the ice cream and other business; that the defendants, and each of them, entered into a scheme to appropriate the good will and secure the benefits of the trade-name of complainant, and in pursuance of such scheme secured the connivance of defendant Borden, and now seek to justify their act by the fact that he owns a nominal interest in the corporation. The purpose is naked.

Complainants, upon the record shown, have a valuable property interest in the name Borden in connection with the manufacture and sale of ice cream, and the consummation of defendants' scheme would necessarily result in serious injury to complainant's business and in fraud upon the public.

It is therefore ordered that the preliminary injunction be granted, restraining defendants from the use of the name Borden in the manufacture and sale of ice cream and like articles, without plainly advising purchasers in some unmistakable manner that the product is not that of complainants, until the further order of the court.

SUPREME COURT OF WASHINGTON

WRIGHT RESTAURANT CO., *et al.* v. SEATTLE RESTAURANT CO.,
et al.

(122 Pac. Rep., 348.)

I. TRADE-NAME—RIGHT TO USE ONE'S OWN NAME.

One who founds a business to which he gives his name and subsequently organizes a corporation to continue the business, under his name, loses thereby the right to make unrestricted use of his name in an independent business. In starting such a business, he is bound to take positive precautions to prevent the public from being misled into the belief that the later business is that with which his name was first connected.

Appeal from a judgment of the superior court, Kings county, sustaining a demurrer to the complaint.

Herbert E. Snook, for appellants.

Leopold M. Stern, for respondents.

ELLIS, J.—Action to enjoin the use of a trade-name in unfair competition. A general demurrer to the complaint was sustained. The action was dismissed. The plaintiffs have appealed.

The complainant in substance states that, for a long time prior to the incorporation of the plaintiff, Wright Restaurant Company, a corporation, the defendant Chauncey Wright was the sole owner of a restaurant which he conducted at No. 164 Washington street in the city of Seattle, under the name "Chauncey Wright's Café," which was painted in large letters upon the front window of the place of business; that he had built up a large and profitable trade; that he offered to sell to the plaintiff Charles Gearheart, for \$4,500, a one-half interest in the business, representing that under his name he had built up a business amounting to more than \$800 per month, net profit, and that if continued under the name of Chauncey Wright the business would continue to be no less profitable; that, having investigated the business and found these representations true, the plaintiff Charles Gearheart, on October 6, 1909, purchased a half interest in the business, paying Wright therefor \$4,500 in cash; that before and at the time of the purchase, Wright emphasized the fact that his name at the head of the business and good will would insure a prosperous and lucrative business; that after the purchase, and under the partnership name "Chauncey Wright's Café," Wright and Gearheart and the corporation afterwards organized did a prosperous business, of which the profits were in about the sum of \$800 per month up to October 6, 1910; that some time prior to February 24, 1910, Wright and Gearheart concluded to incorporate, and it was agreed between them that the corporate name should be "Wright Restaurant Company," and that the name "Chauncey Wright's Café" should remain upon the front window of the restaurant, for the reason that Chauncey Wright was well known in that business and in that locality, and that his name was so identified with the business that it would prosper under the incorporation as it had under the copartnership; and that thereupon the parties did incorporate under the corporate name "Wright Restaurant Company," with a capital stock of 10,000 shares of a par value of \$1 each, divided equally between Wright and Gearheart; that about October 6,

1910, Wright proposed to sell his 5,000 shares of stock to Gearheart for the sum of \$4,000, which proposal was acceded to by Gearheart, who received a transfer of the 5,000 shares from Wright, paying him therefor \$4,000; that the sale was made without reservation of any kind; that Gearheart became the owner of the interests of Wright in the café, with the exclusive right to use the corporate name and the trade-name "Chauncey Wright's Café"; that soon after the sale of his stock in the Wright Restaurant Company, Chauncey Wright organized a corporation, the defendant Seattle Restaurant Company, of which he became president, and opened and began conducting through that corporation another restaurant and café at No. 110 Occidental avenue in the city of Seattle, within the same block in which the plaintiffs' restaurant is located, and caused his name, "Chauncey Wright," in large letters, to be printed upon the front window thereof, followed in very much smaller letters by the words, "President, Seattle Restaurant Company"; that Chauncey Wright and the Seattle Restaurant Company so conduct and operate the restaurant under that name, for the purpose and with the intent to deceive the public and to make the public believe that the restaurant on Washington street has moved to Occidental avenue, and under the same auspices as Chauncey Wright's Café on Washington street, and that the public has received that impression and belief; that the defendants at once began and continue to advertise the new restaurant under the name "Chauncey Wright" as president of Seattle Restaurant Company, by means of moving picture shows and in the daily newspapers, in the same lettering as that upon the window, for the purpose and with the result of causing the general public to believe that Chauncey Wright had discontinued his restaurant on Washington street, and moved to and become re-established at 110 Occidental avenue; that since the name of Chauncey Wright has been advertised and exploited by the defendants in connection with the new restaurant, the business of the plaintiffs on Washington street has become impaired, and will be irreparably impaired if the defendants continue to use and exploit the name Chauncey Wright as they are now doing; that prior to the commencement of this action, the plaintiffs notified the defendants

not to open any restaurant on Occidental avenue, and not to use the name Chauncey Wright in connection therewith; that by reason of the premises the plaintiffs have already been damaged in the sum of \$2,000, and will be damaged in the further sum of \$10,000 if the use of the name of the defendants be continued; and that the plaintiffs will be deprived of a large percentage of their patronage unless the defendants be enjoined. The complaint then prays for an injunction restraining the defendants from using the name, or advertising their business on Occidental avenue under the name of Chauncey Wright, and for damages in the sum of \$12,000, and for general relief.

The demurrer, of course, admits as true every allegation of fact in the complaint. Do these facts constitute a cause of action? To answer this question intelligently we must not lose sight of the nature of the action. It was not an action to restrain the use of a proprietary trade-mark, nor to protect the sale of a good will. The first of these rests in the infringement of an exclusive proprietary right; the second, in breach of contract. The complaint here can not be sustained upon either of these grounds. This action, if it can be maintained at all, must rest upon unfair competition by the fraudulent use of a trade-name. In such a case no exclusive right in the plaintiffs to the use of the name need be shown. "In fact, the distinguishing feature of cases of unfair competition is the protection of one who has no technical trade-mark and hence no exclusive property right." Paul on Trade-Marks, § 211. But the plaintiff in such a case must have the right to use the name, and he or his predecessor in interest must have actually enjoyed the prior use. When these things are shown, his use of the name will be protected by injunction against others using it unfairly to his injury. This court has so held: "The rule seems to be well established that a corporation may be enjoined from using a name or conducting its business under a name so similar to the name of a previously established corporation, association, partnership, or individual, engaged in the same line of business, that confusion or injury results therefrom." *Martell v. St. Francis Hotel Company*, 51 Wash., 375, 379, 98 Pac., 1116, 1118 (16 Am. Cas., 593);

Rosenburg v. Fremont Undertaking Company, 63 Wash., 52, 114 Pac., 886.

According to the allegations of the complaint, when the plaintiff Gearheart entered into partnership with the defendant, it was mutually agreed that the trade-name "Chauncey Wright's Café" should be used by the partnership. The right to use it thereby became a partnership asset.

On the formation of the corporation "Wright Restaurant Company," it was also agreed that the name "Chauncey Wright's Café" should remain upon the window, and that the business of the corporation should be conducted in that name. Unquestionably the right to use the name as a trade-name passed to the corporation by the consent of all parties concerned. *Allegretti v. Allegretti Chocolate Cream Company*, 177 Ill., 129, 52 N. E., 487; *Bissell Chilled Plow Works v. T. M. Bissell Plow Company (C. C.)*, 121 Fed., 357. "Sale of Business Site; Effect of, on Names.—This question is complicated often, because the name which is transferred is attached more or less definitely to some locality, building, or address, which has become really a part of the name and reputation of the business. This is true frequently of hotels, breweries, natural springs, newspapers, and the like. In such cases he who buys the buildings, or acquires the right to occupy them, will have the right to use the name attaching thereto, in the absence of very explicit contractual arrangement." *Nims on Unfair Business Competition*, § 54.

That right, being thus vested in the corporation, was a right which remained with it so long as it saw fit to use the name, regardless of the ownership of its stock. The sale of his stock by the respondent Wright in no manner affected this right. Nor was this right affected by the further circumstance that the distinctive feature of the trade-name was the name of the respondent Chauncey Wright. "Thus, the outgoing stockholders of a corporation, the most distinguishing part of whose names the corporation bears, have no right to compete in business under a corporate name so nearly like the first as to mislead customers." *Paul on Trade-Marks*, § 216; *I'an Auker Company v. I'an Auger Steam Specialty Company*, 57 Ill. App., 240; *Holmes, Booth & Hayden v. Holmes, Booth & Atwood Mfg. Company*, 37 Conn.,

278, 9 Am. Rep., 324; *Penberthy Injector Company v. Lee*, 120 Mich., 174, 78 N. W., 1074. While these authorities deal with the *corporate* name as a trade-name or trade-mark, they are not based upon the fact that the name was acquired as a part of the corporate franchise, but upon the fact that the name was a *trade-name*, and so used by the corporation. *Hazelton Boiler Company v. Hazelton Tripod Boiler Company*, 137 Ill., 231, 28 N. E., 248.

The rule is, therefore, equally applicable whether the name used as a trade-name be that of a corporation, or another name legally acquired and used by the corporation as a trade-name. In the foregoing cases, and in cases where the parties have the same name or names *idem sonans*, the injunctive relief was granted, not because of any corporate franchise, but upon the broader principle that a man may not so use any name, not even his own name, as unfairly to compete with another person or corporation by confusing in the public mind his business with that of the competitor first using a trade-name of which the name in question was the distinctive feature. *International Silver Company v. William H. Rogers Corporation*, 66 N. J. Eq., 119, 57 Atl., 1037. 2 Ann. Cas., 407; *Valentine Meat Juice Company v. Valentine Extract Company, Ltd.*, 83 Law Times Report, 259; *Royal Baking Powder Company v. Royal*, 122 Fed., 337. 58 C. C. A., 499; *International Silver Company v. Simeon L. & George H. Rogers Company (C. C.)*, 110 Fed., 955; *Stuart v. Stewart Company*, 91 Fed., 243, 33 C. C. A., 480; *Walter Baker Company, Ltd., v. Baker (C. C.)*, 87 Fed., 209; *Walter Baker Company, Ltd., v. Sanders*, 80 Fed., 889, 26 C. C. A., 220. Many other decisions of like import might be cited, but these will be sufficient to exemplify the rule.

A majority of the adjudicated cases involved the use of trade-names or trade-marks as applied to some specific article or class of manufacture or merchandise, but the rule is applied, and it seems to us with equal reason, to a trade-name when used in connection with a business of any kind so as to become affixed to the establishment. *Booth v. Jarrett & Palmer*, 52 How. Prac. (N. Y.), 169. Such is the established rule as applied to names other than personal proper names, even though not names which

might be exclusively appropriated as technical trade-marks. *Weinstock, Lubin & Company v. Marks*, 109 Cal., 529, 42 Pac., 142, 30 L. R. A., 182, 50 Am. St. Rep., 57; *Martell v. St. Francis Hotel Company*, *supra*; *Rosenburg v. Fremont Undertaking Company*, *supra*.

Conceded, as it must be, that the right to use the personal name of another may be acquired, then the same rule of protection applies. The protection must be commensurate with the right. While every person has the undoubted right to use his own name in his own business, he can not so use it as to unfairly compete with another with whose business that name has become identified and rightfully used as a trade-name. Such is the decided trend of the more modern authority. 28 *Am. & Eng. Enc. Law* (2d Ed.), p. 426. "Where a personal name has become identified with particular goods or a particular business so as to denote, in a secondary sense, such goods or business, a person of the same or similar name subsequently engaging in the same business or dealing in the same goods must adopt affirmative precautions to prevent unnecessary confusion. Under such circumstances, the use of such a name by another person of the same name, unaccompanied by any precaution or indication of difference, in itself, amounts to a deceptive artifice or misrepresentation, and constitutes unfair competition." 28 *Am. & Eng. Ency. Law* (2d Ed.), p. 428; *Lever Bros., Ltd., Boston Works v. Smith* (C. C.), 112 Fed., 998.

Applying the principles which we conceive to be established by the foregoing authorities to the complaint here, we are constrained to hold that it states a cause of action. In view of the near location of the respondents' place of business to that of the old concern, we can not say that their use of the name "Chauncey Wright" as the distinguishing feature of their sign on the window, and in advertisements both in the newspapers and by means of moving picture shows, was not reasonably calculated to divert patronage from the old concern, under a belief that the new had succeeded to the business of the old or was being conducted under the same auspices. That such was the design seems plain. The unusual arrangement with the name "Chauncey Wright" placed first in conspicuously large letters, followed

by the words, "President, Seattle Restaurant Company," in very much smaller lettering, could hardly have been adopted for any other purpose. In any event, the purpose is not important if the means employed were reasonably calculated to, and actually did, attract patronage under the mistaken belief. Whether they actually had that effect or not must be determined by evidence. We merely hold that it can not be said as a matter of law that the means used were not such as might reasonably be expected to create confusion and unfairly divert patronage to the injury of the appellants.

Cases are not wanting in which courts have enjoined the use of signs and advertisements when so similar in their dominant features to those in use by another as to lead to such confusion, especially where the places of business are in close proximity to each other. *Weinstock, Lubin & Company v. Marks*, *supra*; *American Brewing Company v. St. Louis Brewing Company*, 47 Mo. App., 14; *Johnson v. Hitchcock* (*Sup.*), 3 N. Y. Supp., 680; *Cady v. Schultz*, 19 R. I., 193, 32 Atl., 915, 29 L. R. A., 524, 61 Am. St. Rep., 763. The respondent Wright undoubtedly had the privilege of entering into the restaurant business when and where he would and to use his own name in connection therewith. It was, however, his duty to adopt such affirmative precautions in the use of his name as to prevent unnecessary confusion of his with the appellants' business.

The judgment is reversed, and the cause remanded, with directions to overrule the demurrer and determine the issues upon evidence.

DUNBAR, C. J., and CROW, CHADWICK and MORRIS, JJ., concur.

KANSAS CITY, MISSOURI, COURT OF APPEALS

McGREW COAL CO. v. MENEFFEE.

(144 Southwestern Rep., 869.)

I. TRADE-MARK—DESCRIPTIVE TERM.

The name "Electric Lump" applied to bituminous coal indicates and is intended to indicate that the coal is mined by electric machinery and is in larger lumps and more free from dust than if mined in the old way. It is, therefore, descriptive and can not be a good trade-mark.

Another dealer in coal similarly mined may use the term in the sale of his product.

Appeal from judgment of the circuit court, Pettis county, dismissing the bill of complaint.

Barnett & Barnett, for appellant.

George F. Longan and J. T. Montgomery, for respondent.

JOHNSON, J.—This is a suit in equity to enjoin defendant from infringing a trade-mark of plaintiff and from injuring its business by using a trade-name to the use of which plaintiff alleges it has the sole proprietary right. The answer is a general denial. On final hearing the court decided the issues in favor of defendant and dismissed the bill. Plaintiff appealed.

For many years J. C. McGrew was the owner and operator of large coal mines near Lexington. There were other mines in the same district, and practically the same kind and quality of bituminous coal was mined throughout the district. Plaintiff claims the coal taken from the McGrew mines was better than the coal from other mines, but all of the coal was mined from the same vein, and we think the evidence as a whole does not disclose any marked superiority in the McGrew coal. About 15 years ago the large operators in the district, including McGrew, began using electric cutting machines, and thereby were enabled to extract the coal in larger, cleaner lumps and with less slack and dust than they had been able to do under old methods. The use of such machines by miners of bituminous coal has become general, and most of such coal sold in the markets has been mined with the aid of such machines.

Shortly after he began using the machines, McGrew adopted "McGrew's Electric Lump" as a trade-name and used it to designate the coal shipped from his mines. In 1905 he filed in the office of the Commissioner of Patents the advertising label he had been using, and in 1907 his trade-mark, "McGrew's Electric Lump," was registered in the Patent Office, and a certificate of registration was issued to him by the Commissioner. In 1908 he sold his mines and mining business, including his trade-mark and copyright, to plaintiff. It has been the uniform custom of plaintiff and its predecessor to use the registered label in adver-

tising the mines by pasting such labels on cars and lumps of coal in conspicuous places. The registered label is in the form and semblance of a flaming disc or wheel. In the center of the disc is a large, black, clean-looking lump of coal *jit* ardent combustion, this effect being produced by a combination of colors representing flames radiating in all directions from the lump. This fervent foreground is set against a white field inclosed by the luminous border. Across the face of the lump are the words "Electric Lump" in heavy white letters. Above and below the lump and in the foreground are the words "trade-mark." In a circle inclosing the foreground are the words "J. C. McGrew, Producer and Shipper, Lexington, Mo.," in red letters. Beyond these words and in a larger circle set against the white field are the words "McGrew's Electric Lump Coal" in very large black letters. The word "coal" is at the bottom of the circle and is shaded in red. The *tout ensemble* is decidedly striking and gives an impression of a burning sun deriving its heat from a lump of coal. In addition to the effect on the eye of an arrangement of red, yellow, and white in resemblance of intense heat are the scarcely less attractive contrasting combinations of a white work on a black background and a black work on a white background. It is not hard to believe that the liberal and continuous use of a label so garish would serve to identify the name "Electric Lump" with coal produced at plaintiff's mine.

Defendant is a retail coal dealer in Sedalia. In 1904 he became the agent in Sedalia for the sale of McGrew's coal, and in 1906 was given the sole agency for that city. At first defendant used McGrew's trade-mark in advertising his business, but in time discontinued the practice and began advertising the business in his own name and made a feature of the name "Menefee's Electric Lump" in his advertisements. He had this name painted in ordinary letters on his delivery wagons and on a sign at his place of business and used the name in newspaper advertising. McGrew objected to the name, claiming its use was an infringement of his trade-mark. The subject was discussed in a prolonged correspondence between the parties in the course of which defendant changed the name to "Menefee's Electro Lump." This did not satisfy McGrew, and later defendant again changed

the name making it "Menefee's Elective Lump." McGrew was not mollified by the second change and, becoming convinced that defendant intended to continue in his objectionable conduct, terminated the agency. Defendant then bought coal of another operator in the Lexington district, and, as this operator used electric machines in mining, defendant continued to use "Menefee's Elective Lump" as his trade-name.

Plaintiff alleges in the petition "that the name "Electric Lump" was given to this coal by the said James C. McGrew because it was mined and gotten out by means of electric machinery, and in that manner was gotten out in larger lumps and in more desirable form for the market and was more valuable for the trade than coal mined in the ordinary way."

Defendant did not use any label or any device or symbol, nor did he in any manner affix his trade-name to coal sold by him. The extent of the use he made of the name was to paint it in plain letters on his wagons, his business sign, and to use it in his newspaper advertisements. In such state of case the cause of action alleged in the petition must rest, if at all, on the idea that the use by defendant of the words "Electric Lump" was an infringement of plaintiff's trade-mark and, if not such infringement, was, at least, such unfair competition, so violative of the principles and rules of fair trade as to afford plaintiff the redress he seeks.

At the outset we rule that the changes made by defendant in trade-name were ineffectual and worked no betterment of his position and status towards plaintiff. Of course, the dictionary meanings of the words "electric," "electro" and "elective" are different; but the purpose of defendant to employ a term that would convey the impression to the public that he was selling coal mined by electricity was manifested by the words he selected and emphasized by the changes to which he resorted in a vain effort to pacify his principal and still to retain a popular trade-name.

We shall disregard the changes and treat the name as still being "Menefee's Electric Lump." We do not sanction the view of plaintiff that these changes evinced a fraudulent intent of defendant to commit an act of piracy. He knew that McGrew

claimed an exclusive right to use the name "Electric Lump" and made the changes under stress of McGrew's threat to terminate the agency and to force him into annoying and expensive litigation. Defendant contended, and we think with honest intent, that he was violating no right of plaintiff. His efforts to avert such unpleasant consequences are compatible with the idea that he was willing to purchase peace at the sacrifice of some, but not all, of his rights. The actions of men often are prompted by such motive. Since the conduct of defendant is as consistent with an honest as with a sinister motive, we are disposed to give him the benefit of the doubt. *Seed Co. v. Seed Co.*, 37 Mo. App., 313.

This brings us to the decisive question in the case, *viz.*: Did the use of the name "Menefee's Electric Lump" constitute a violation of the right of plaintiff to the exclusive use of the name "Electric Lump?" We say there was no infringement of the trade-mark issued to plaintiff, and for this conclusion we shall state but one of several reasons that occur to us. The allegations of the petition and the proof disclose beyond question that the words do not denote the origin or ownership of the commodity to which they refer, but are merely descriptive of the quality of a commodity of general consumption. But since this reason is one we must discuss in our consideration of the question of whether or not defendant has been guilty of an offense against the laws of fair trade, and since the doctrine of fair trade covers a much larger field than that of trade-mark rights, we shall pass at once to the consideration of the larger and, in this case, all-inclusive question.

The doctrine of fair trade, or, as it is otherwise called, of unfair competition, thus is well expounded by Judge Nortoni in *Grocers' Journal v. Midland Pub. Co.*, 127 Mo. App., loc. cit., 366, 105 S. W., 312: "However this may be, we find that in keeping with the Christian influence of advancing civilization, the courts have evolved out of the technical law of trade-marks a just doctrine, well founded, and known as the law of unfair trade, the underlying principle of which is not only sound and broad but eminently more concerned with the justice of the cause than was our ancient jurisprudence with reference to infringe-

ments of the trade-mark. Now the broad principle, fundamental of the doctrine incorporated in the law of unfair competition, is that irrespective of the proprietary interest in the word or symbol which constitutes the trade-mark, and for that matter, irrespective of the entire question of technical trade-mark, one man has no right to palm off his goods or wares as those of another. This is true for two very sufficient reasons: First, a man who has established a reputation for his goods, by the excellence of his product, under a given mark or symbol indicating its origin or manufacture, is by all means entitled to be protected in the enjoyment of the good will, of the fruits, and the reputation of the business thus established by his uprightness, integrity, and industry; and, second, on the other hand, those members of the public who purchase a commodity are of right entitled to have precisely what they purchase and to this end should be protected against the fraud and deceit of whomsoever places another and different or counterfeit article upon the market under a mark or symbol in the similitude, likeness, or in the dress of the genuine. *Elgin, etc., Watch Co. v. Illinois, etc., Watch Co.*, 179 U. S., 665-674 [21 Sup. Ct., 270, 45 L. Ed., 365]; *Coates v. Merrick Thrcad Co.*, 149 U. S., 562-566 [13 Sup. Ct., 966, 37 L. Ed., 847]; *Shaver v. Heller & Mertz Co.*, 108 Fed., 821-826 [48 C. C. A., 48]; *McLean v. Fleming*, 96 U. S., 245 [24 L. Ed., 828]; 28 *Amer. & Eng. Encyc. Law* (2d Ed.), 345 to 250; *Browne on Trade-Marks* (2d Ed.), § 43."

The gist of the whole doctrine lies in the axiomatic rule first announced in a case before the House of Lords that no man has a right to sell his goods as the goods of another. In the application of that rule courts often go far beyond the limits of the technical rules of trade-mark law and, regarding each case as in a sense *sui generis*, endeavor to reach a conclusion in keeping with the real equity of its particular facts. Consequently, the books contain many decisions wherein the rule that no proprietary rights can be founded on the use of geographical names or of words merely descriptive of the quality of the commodity is modified to conform to the equitable demands of the peculiar facts and circumstances of the case, and a secondary meaning is accorded to such words, and on such meaning a proprietary

right is predicated. Thus, in a leading case cited in briefs of counsel, a large factory was established in a small, obscure village, and its product was sold in the markets under a name in which the name of the village had the most conspicuous place. After building up a large trade under that name, the factory was moved to another city. Afterward another factory of the same kind was started in the village, and its proprietors sought to purloin the trade of the old concern by taking the same name. The court held that the name of the village had acquired a secondary meaning and that the attempt of the new concern was an act of piracy.

It would be tedious and unremunerative to go into a discussion and analysis of the case law on the subject. The entire doctrine fundamental of every case of unfair competition may be compressed into two general and most just rules: First, the one we have stated, that no man should be suffered to sell his goods as the goods of a competitor; and, second, the rule restrictive of the first, that no man should be allowed to acquire a practical monopoly of a commodity of general consumption by the employment of a trade-name composed of merely descriptive words. Monopolies are odious to the people and abhorrent to equity and never should be tolerated except as to those things that essentially are monopolistic, such as public utilities, patent rights, etc. It is one thing for a vendor to establish a demand for a commodity sold by him by the use of an arbitrary trade-name that points the public mind to the fact that he is the sole vendor of a particular brand of such commodity, and it is quite another and different thing for him to attempt to monopolize the trade by preventing competitors from using words descriptive of quality in their advertisements. "Thus," says Judge Lewis, in *Trask Fish Co. v. Hooster*, 28 Mo. App., 408, "if a grocer should brand or label the words 'Best Brown Sugar' on every parcel of that article sold by him, would it ever be supposed that all other grocers should be thereby precluded from using the same words in connection with their sales of the same article? Such a restriction would create a monopoly in the hands of any man who might so elect, in the commonest products of universal consumption and use."

Bituminous coal is a commodity of general use in this state. It is as much a staple article of consumption as sugar and coffee. It is a matter of common knowledge that the ordinary consumer prefers to buy the coal that comes in the largest lumps and is most free of slack and dust. The word "lump," therefore, refers to quality, and certainly no dealer should be allowed the exclusive use of that word. The word "electric" has a general, well-understood meaning, *i. e.*, that the coal was mined by electric machines, and therefore is cleaner and in larger lumps than coal mined in the old way. Used as an adjective to the noun "lump," the term thus formed is descriptive of quality only. The claim of plaintiff that it has an exclusive right to the use of that term in practical effect is the assertion of a right to monopolize the sale of coal mined by the new and now general method, since the enjoyment of the exclusive right to advertise coal of such quality would amount to a monopoly of the sale of such coal.

Thus it appears that plaintiff is founding its cause of action, not upon its own skill, genius, and industry, but upon its voluntary appropriation of a term that in all equity and good conscience should be regarded as common property which any dealer in coal mined by electricity may use in advertising his business. Plaintiff acquired no property right in the name "Electric Lump," and the learned trial judge took a proper view of the case in dismissing the bill.

The judgment is affirmed. All concur.

COMMISSIONER OF PATENTS

WALTER BAKER & COMPANY, LTD., v. WORTH.

(177 O. G., 770.)

January 6, 1912.

TRADE-MARKS—CANCELLATION—ACT OF 1870.

A petition for the cancellation of a trade-mark registration effected under the law of 1870 is properly dismissed, since such registration was granted for a period of thirty years, and if valid would have expired before the petition for cancellation was filed.

Messrs. Putnam, Putnam & Bell, for Walter Baker & Company, Ltd.

Messrs. Munn & Co., for Worth.

MOORE, Commissioner.—This is an appeal by Walter Baker & Company, Ltd., from the decision of the Examiner of Interferences dismissing its application for cancellation of trade-mark registration No. 842, granted May 28, 1872, to J. G. Worth.

The Examiner of Interferences dismissed the application of appellant without forwarding a copy thereof to the registrant and without further proceedings in the case for three reasons, stated in his decision as follows:

1. The act of 1870 under which the registration referred to was granted was declared unconstitutional by the Supreme Court of the United States in the *Trade-Mark Cases* (100 U. S., 82). There was, therefore, no valid registration under that act and nothing of any effect ever existed or remains to be cancelled.

2. Even had the registration been a valid one under a valid act it would have expired May 3, 1902, since the Act of 1870 provided that registrations should be effective for thirty years unless renewed. There was no renewal of the registration here involved. Having expired, nothing remains of the registration to be cancelled.

3. In the case of *Funke v. Baldwin* the Commissioner held: "that Section 13 of the Act of 1905, providing for the cancellation of trade-mark registrations, applies only to those registrations made under that act."

As stated by the Examiner of Interferences, the Trade-Mark Act of July 8, 1870, was held unconstitutional because not limited to the registration of trade-marks used—

in commerce with foreign nations, and among the several States or with the Indian tribes,

by the United States supreme court in the *Trade-Mark Cases* (100 U. S., 82).

Registrations under the Act of 1870 are not considered by the Patent Office a bar to the registration of a trade-mark under the present Trade-Mark Act. (*Ex parte, Havana-American Company*, 132 O. G., 1839.)

Section 78 of the Act of 1870 provided that registrations thereunder should remain in force for thirty years, with a right of renewal on application made six months prior to the expiration of the registration. Inasmuch as the registration of Worth was granted in 1872 for a term of thirty years and was not renewed, the registration, had it been a valid one, would have expired in 1902. Since the certificate of registration of a trade-mark, like a patent grant for an invention, is issued for a definite

term, it necessarily follows that after the expiration of that term there is no valid existing registration on which a judgment for cancellation can operate.

Since the Worth registration is not a valid existing registration, the Examiner of Interferences rightfully dismissed the application for cancellation.

The decision in the case of *Funk v. Baldwin* (127 O. G., 392), cited by the Examiner as his third reason for dismissing the application, discussed and passed upon registrations only under the Trade-Mark Acts of 1881 and 1882 and under the Act of 1905. It reached the conclusion that Section 30 of the latter act exempts registrations under the Acts of 1881 and 1882 from the operation of the cancellation section of the Act of 1905. It apparently recognized the fact that no valid registration existed under the Act of 1870.

Moreover, in the case of *De Ferranti v. Lindmark* (134 O. G., 515; 30 App. D. C., 417) the court of appeals of the District of Columbia said:

It is a general rule of statutory construction that, in the absence of language in a statute clearly expressing an intention to the contrary, statutes will be construed prospectively.

In view of the conclusion reached above, that there are no valid existing registrations under the Act of 1870, it is unnecessary to consider whether the cancellation section of the present act could be construed retroactively to cover them.

The decision of the Examiner of Interferences is affirmed.

MADAME IRENE V. SCHWEINBURG.

(177 O. G., 1043.)

January 9, 1912.

1. TRADE-MARKS—ABANDONMENT.

It is well settled that the mere non-use of a trade-mark does not establish abandonment thereof. He who contends that a mark has been abandoned must establish that the original owner of the mark not only discontinued its use but intended to abandon the same.

2. INTERFERENCE—RIGHT TO REGISTRATION.

Registration properly refused the junior party, since the senior party was the first to adopt and use the mark in issue and the evidence did not establish that he had lost his rights thereto by abandonment.

Messrs. Robertson & Johnson, for Madame Irene.

Mr. C. P. Goepel, for Schweinburg.

MOORE, Commissioner.—This is an appeal from the decision of the Examiner of Interferences holding that the firm of Madame Irene is not entitled to the registration for which it has made application.

The interference involves the application of the firm Madame Irene for registration of the word "Irène," as a trade-mark for corsets and two registrations of Schweinburg of the word "Irène" and the words "The René," the word "The" being written in small letters in the upper curve of the "R" as trade-marks for the same goods.

The record shows that Schweinburg adopted these trade-marks prior to the dates of his registrations in 1890 and 1892, respectively, and that the firm of Madame Irene did not adopt its mark until some years later, the testimony being conflicting as to whether it was adopted in 1901, 1903, or 1904. The only question in the case is whether Schweinburg abandoned his marks and that in view of such abandonment Madame Irene is entitled to registration. This question the Examiner of Interferences decided adversely to Madame Irene, holding that abandonment had not been established.

It is contended on behalf of Madame Irene that there is no interference in fact between the mark "Irène" and the mark "The René." The Examiner of Interferences held otherwise, pointing out that the word "René" in appearance was quite similar to "Irène" and that the public inquiring for goods bearing this mark would probably pronounce this word similarly to "queen," or as if it were spelled "reen."

As it will appear hereinafter, it is not necessary to decide this question, but it is deemed proper to refer to the statement in the brief on behalf of Schweinburg that this question had previously been decided by the office on a motion to dissolve. (Brief for Schweinburg, pp. 9 and 17.) The record does not bear out this statement. A motion to dissolve the interference as to the mark "The René" was brought on behalf of Madame Irene some time after the declaration of the interference: Transmission of this motion was refused on the ground that it was brought late and that the failure to bring the motion earlier was the result of deliberate election on the part of Madame Irene. On appeal the

decision of the Examiner of Interferences refusing to transmit the motion to dissolve was affirmed, but the question of the conflict between the marks "Irène" and "The René" was not considered on the motion to dissolve by any of the tribunals of the Patent Office.

As stated above, the record shows that Schweinburg adopted and used the marks "Irène" and "The René" long before any date of adoption claimed by Madame Irene. It appears that Schweinburg was an importer of corsets manufactured by the firm of Zoeppritz, Cantz & Ziegler, of Cannstatt, Germany; that he placed certain trade-marks on these corsets; that corsets marked "Irène" were sold exclusively to the firm of J. Lichtenstein & Sons, and, after their failure, to the firm of Journeay & Burnham, and that corsets marked "The René" were sold exclusively to the firm of Ehrich Bros. It also appears that in 1901 certain contracts were entered into between Schweinburg and B. Altman & Co. and between Schweinburg, B. Altman & Co., and Zoeppritz, Cantz & Ziegler, by which B. Altman & Co. became the distributors of the corsets manufactured by the latter firm which had been formerly handled by Schweinburg. One of these contracts contained the provision that it might be terminated at the end of five years upon notice by B. Altman & Co. under certain circumstances. After the making of these contracts Schweinburg handled no more corsets, and at the end of five years B. Altman & Co. gave notice that the contracts would be considered as terminated. Schweinburg thereafter brought suit against B. Altman & Co. for the royalties due him under these contracts for one year.

It further appears that no corsets marked "Irène" were sold by B. Altman & Co. after 1903 or 1904 and possibly no corsets marked "The René" sold after that time. The testimony is somewhat conflicting as to how long corsets bearing these trade-marks continued on sale. It appears that the firm of Journeay & Burnham became involved, that, with Schweinburg's consent, B. Altman & Co. ceased to sell corsets to them some time prior to their failure in 1907, and that in May of that year the left-over stock of that firm of "Irène" corsets was sold at a receiver's sale to the firm of Edwards & Son, of Syracuse, N. Y.,

by whom they were closed out. There is some testimony to show that the firm of Ehrich Bros. bought no corsets from B. Altman & Co. bearing the mark "The René" later than 1903, and that when in 1909 and 1910 attempts were made by employees of Madame Irene to purchase corsets bearing this mark they were informed that while Ehrich Bros. had such corsets on hand they were merely left-over corsets which they sold at reduced prices and they were not keeping that line of corsets "up to date."

It is contended on behalf of Madame Irene that these facts show an absolute abandonment by Schweinburg of the marks, and that therefore registration should be accorded to the former. On behalf of Schweinburg it is contended that there is no proof of an intent to abandon the mark, it being pointed out that the testimony shows that Schweinburg, while having no actual place of business, kept on hand his forms and stamps, that B. Altman & Co. had on hand labels bearing the marks "Irène" and "The René," and that the suit brought by Schweinburg against B. Altman & Co., while in form a suit for royalties due under the contracts, must, in effect, result in a determination whether or not Schweinburg has the right to use his mark.

It is well settled that the mere non-use of a trade-mark does not establish abandonment thereof, but that one who contends that the mark has been abandoned must establish that the original owner of the mark not only discontinued its use but intended to abandon the same. (*Baglin, et al. v. Cusenier*, 221 U. S., 580, 597, and cases therein cited.) It is true that it is not necessary that it be proved that the original owner of the mark has stated that he intended to abandon the mark. Such intent may be proved by his actions and the circumstances of the case.

In my opinion an intent by Schweinburg to abandon either the mark "Irène" or the mark "The René" has not been established in this case. As pointed out by the Examiner of Interferences, the record shows that Schweinburg kept on hand his forms and labels, and the question of the liability of B. Altman & Co. to Schweinburg is still in litigation. Schweinburg positively testifies that he never intended to abandon these marks and denies that he told the agent of R. G. Dunn & Co. that he had given up his business and sold out all interest therein.

In reaching this conclusion I have not overlooked the fact that the contracts above mentioned referred to the "Z-Z" and "Au-Coeur" brands of corsets more fully than to the "Irène" and "The René" brands and that apparently under one of these contracts B. Altman & Co. were not required to sell the "Irène" corsets to other parties should the firm to whom Schweinburg had given the exclusive handling of these corsets go out of business.

In view of the holding that abandonment has not been established it is not necessary to consider whether there is an interference in fact between the marks "Irène" and "The René."

The record of this case is long drawn out, and the testimony consists in large part of references to irrelevant and immaterial matters. Questions were asked witnesses over and over again in substantially the same form. A fair example of a large part of the testimony is found in the cross-examination of Mrs. Kann (record for Madame Irene, pp. 61 and 62), two pages of which relate to the time when her previous deposition when testifying on behalf of Schweinburg was closed, whether at 1 o'clock or 2 o'clock in the afternoon. Such a record as this not only greatly adds to the expense of the proceeding, but very greatly increases the labor of all the tribunals who have to consider the case.

The decision of the Examiner of Interferences is affirmed.

EX PARTE, EAGLE PENCIL COMPANY.

(177 O. G., 1295.)

April 8, 1912.

TRADE-MARKS—CIRCUMFERENTIAL BANDS OF CONTRASTING COLORS—ANTICIPATION.

A trade-mark for pen and pencil holders, consisting of a circumferential band of a red color contrasting with a yellow or gilt color on each side thereof is properly refused registration, in view of prior registrations of marks differing therefrom only in the colors used.

Mr. Marcellus Bailey, for the applicant.

MOORE, Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to register a mark for pen and pencil holders, penholders, pencil-holders, point-protect-

tors, rubber erasers, and pencil-lengtheners, which is described by the applicant as follows:

The trade-mark consists of a circumferential band of red color contrasting with a yellow or gilt color on each side thereof, and produced upon the body of the holder or other article as shown in the accompanying drawing which represents a metallic pencil holder having a band of red color, the body on each side thereof being of yellow or gilt color as above specified.

Registration was refused on the ground that the red circumferential band claimed by appellant was anticipated under the decision of the court of appeals of the District of Columbia in *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.* (164 O. G., 977; 36 App. D. C., 451), by the following references: Eberhard Faber, No. 43,074, August 2, 1904; Eberhard Faber, No. 51,227, April 10, 1906; Eberhard Faber, No. 52,417; May 8, 1906; American Lead Pencil Company, No. 60,469, February 12, 1907; American Lead Pencil Company, No. 66,976, January 7, 1908; Eberhard Faber, No. 71,436; November 24, 1908; Eberhard Faber Pencil Co., No. 73,468; April 20, 1909; American Lead Pencil Company, No. 73,691, May 11, 1909; American Lead Pencil Company, No. 73,692, May 11, 1909; American Lead Pencil Company, No. 73,693, May 11, 1909; American Lead Pencil Company, No. 75,289, September 21, 1909.

The marks of these registrations consist of circumferential bands of uniform width of green, yellow, blue, and other colors applied to goods of the same character as those of appellant.

No question is raised but that the goods upon which the marks are used in the references are of the same descriptive properties as those upon which the mark of this application is used; but appellant contends that a red color-band is not shown in any of the references, that it is the custom of manufacturers of this class of goods to mark their goods with a distinctive color-band for the purpose of indicating the origin of the goods, and that it has been the long-continued practice of the office in this class of goods to register different color-band marks to different manufacturers for the same article.

The Examiner admits that such was formerly the practice of the office, as shown by the references cited above; but he

holds that the decision of the court of appeals of the District of Columbia in the case of *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, *supra*, precludes a continuation of such practice.

In the case just cited this office was of the opinion that a yellow stripe of uniform width spirally disposed around the surface of a wire rope was not so similar to a mark consisting of a red stripe of uniform width similarly placed by painting one of the strands of the wire rope as to cause confusion. The court reversed this holding of the office and said:

The only difference in the marks is that of color. They are both used upon wire rope, and are both applied in substantially the same manner. It is admitted that appellant has used its mark for more than twenty years, and if this were a case of unfair competition there would be little doubt as to appellant's right to relief, for while color, generally speaking, is not a proper subject of a trade-mark, a rival dealer may not appropriate another's mark by merely changing its color. It is manifest that if appellee is entitled to use precisely the same mark as that used by appellant but colored yellow instead of red, every color of the rainbow may be appropriated by other wire-rope manufacturers and may be similarly applied. Such a result, in our opinion, would lead to no end of confusion, the value of appellant's mark would be destroyed, and the purchasing public would be liable to imposition. The Patent Office has held that there is no conflict; but both marks are before us and, in the language of the Circuit Court of Appeals for the Eighth Circuit "the evidence of the eyes is more persuasive and satisfactory than any other." (*Layton Pure Food Co. v. Church & Dwight Co.*, 182 Fed., 24.)

In an opinion rendered at the same time in the case of *A. Leschen & Sons Rope Co. v. American Steel & Wire Co. of New Jersey* (164 O. G., 978; 36 App. D. C., 456), the court of appeals of the District of Columbia held that a trade-mark for wire rope consisting of a blue stripe of uniform width spirally disposed around the surface of the rope was so similar to a mark consisting of a red stripe similarly placed on a rope as to be likely to cause confusion and deceive purchasers.

The court of appeals of the District of Columbia is an appellate tribunal to the Patent Office in trade-mark cases, and its interpretation of the law controls the action of the tribunals of the Patent Office. Under its ruling in the above-mentioned cases I am of the opinion that there can be no question but that appellant's mark is anticipated by the references cited. Appellant

attempts to distinguish this case from those mentioned above in that affidavits have been filed in the present case alleging that it is the custom of manufacturers of these goods to identify their goods by various color-bands, that the red color-band is recognized in the trade as belonging to appellant, and that no confusion results in the trade, but each manufacturer respects the color-band marks of the others. This distinction between the two cases, however, does not appear to exist. In the excerpt from the opinion quoted above, after calling attention to the fact that the Patent Office held that there was no conflict between the two marks and that the appellant insisted that the evidence failed to show such a conflict, the court stated that the marks were before that court and that—

the evidence of the eyes is more persuasive and satisfactory than any other.

In connection with his appeal appellant asks for a ruling upon the following objections of the Examiner:

- (1) That the description of the mark is indefinite in that it does not give the precise location of the red band upon the articles to which it is applied, and,
- (2) That the specimen indicating the use of the mark upon rubber erasers does not conform to the description of the mark set forth in the statement of the application.

Concerning the first objection, appellant admits that it has long been the practice of the office to require that the mark be definitely located. The drawing showing the mark for which registration is sought indicates the location of the color-bands, and the requirement of the Examiner that the description should give the location of the band is well taken.

Regarding the second objection, it is apparent from an inspection of the rubber erasers submitted that it does not disclose a mark—

consisting of a circumferential band of red color contrasting with a yellow or gilt color on each side thereof—

and the Examiner is also sustained in this objection.

The decision of the Examiner of Trade-Marks is affirmed.

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No. 6

DISTRICT COURT OF THE UNITED STATES

GORHAM MFG. CO. v. F. & M. WEINTRAUB.

Southern District of New York, May 10, 1912.

1. TRADE-MARK—VALIDITY.

A mark consisting of a lion passant, an anchor, and the letter G, and being the British hall-mark of the Birmingham assay office, may be properly appropriated by an American manufacturer as a trade-mark, to distinguish goods of his make, there being no evidence to show that the mark was known in the United States, prior to its adoption and use by the complainant as a trade-mark. The use or significance of the mark in Great Britain is not material to the question of its validity as a trade-mark in this country.

2. TRADE-MARK—EFFECT OF ENGLISH STATUTE.

The English law relative to hall-marks can not be given an extra-territorial effect in the United States to affect a trade-mark adopted and made known in this country as designating the goods of a particular manufacturer.

3. REGISTRATION—EFFECT ON COMMON LAW RIGHTS.

The rights of the owner of a common law trade-mark are not lessened or impaired by the fact that he has registered a mark embodying a part only of the features included in the trade-mark as used and claimed.

In Equity. On final hearing. For decision on motion for preliminary injunction, see 176 Fed. Rep., 927.

Messrs. Mason, Fenwick & Lawrence (L. L. Morill and Hugo Mock, of counsel), for complainant.
Benno Loewy, for defendants.

HAZEL, J.—The bill of complaint charges the infringement of complainant's trade-mark consisting of the figure of a lion, the representation of an anchor, and the capital letter G in old English, by the defendants, who are co-partners and citizens of the state of New York. The bill alleges that beginning in 1831 the predecessors of the complainant, successive partnerships—conducted the manufacture of solid or sterling silverware in Providence, R. I., and that subsequently the business was conducted by the Gorham Co., a co-partnership, which in 1863 was succeeded by the Gorham Mfg. Co.—the complainant—a citizen of the state of Rhode Island. It is alleged that, continuously and without interruption for a period of 56 years, the solid or sterling silverware of the complainant and its predecessors was conspicuously marked or stamped with said trade-mark to designate the particular kind of silverware manufactured by it; that such trade-mark was at all times displayed upon its silverware, circulars, advertisements, trade publications, and other printed matter as a result of which the Gorham Mfg. Co. became extensively and favorably known throughout this country as a manufacturer of silverware of the highest quality; and that complainant's predecessors were the first in the United States to use said trade-mark upon silverware. The said allegations of the bill are fairly sustained by the proofs.



COMPLAINANT'S MARK



DEFENDANT'S MARK

The use of such mark by the defendants in connection with the sale of their products is not denied. The principal defenses are: (1) that the three symbols—the lion passant, the anchor, and the old English letter G—in juxtaposition, form an English hallmark, and therefore can not be adopted in this country as a valid trade-mark; (2) that complainant's marks are not used to indicate the origin or ownership of the articles to which they are affixed, but for the purpose of identifying the class or quality; (3) that a trade-mark consisting of a combination of the figures and letter G in suit is a violation of the treaties between Great Britain and the United States; and (4) non-infringement.

The defenses in their entirety are not only novel, but extremely interesting, and are asserted by counsel for the defendants with vigorous elaboration. But in the view taken of this case, the principal question arising on the merits is whether the complainant has the legal right to enforce its asserted common law trade-mark claimed to have been exclusively applied by it, first to articles of standard coin silver, and since 1868 to those of sterling quality. Had the complainant the right for the purpose of designating silverware of a certain grade to adopt and use the three symbols, the lion passant, the anchor, and the capital letter G, which were the facsimile of a prior British hallmark of the Birmingham assay office? Before dwelling upon the evidence contained in a voluminous record, the general rule may be stated that anyone has the unquestionable right to make his merchantable commodities known to the purchasing public by attaching thereto a name, mark, or device not previously used by another on commodities of the same general kind or description. Such device must be for the purpose of enabling the user to impart to the salable article to which it is affixed an unmistakable characteristic, to the end that there may be positive identification and differentiation from articles of a similar character produced by another. But if the mark or device originated and used by one is afterwards adopted and used on similar articles by another to create the impression that such articles were manufactured or sold by the former, then obviously a fraud or deception is practised upon the public by the latter, such as a court of equity will restrain. *Manhattan Medicine Co. v. Wood*, 108 U. S., 218; *Brown on Trade-Marks*, pp. 101-162.

The claim of the defendant that the trade-mark was really adopted to identify the class or quality of the silverware and not its ownership or origin is not substantiated by the evidence. Therefore I conceive that the crucial questions arising from the alleged infringement of the trade-mark are: (1) whether its adaptation as early as 1859, as appears by the proofs, and continuous use in this country by the complainant down to the present time were in fact an appropriation of a British hallmark or the essential parts thereof, and therefore not subject to a valid

trade-mark; and (2) whether such hallmark at the time of its simulation by complainant had achieved a reputation in this country such as would mislead the public when buying complainant's silverware into believing it was buying hallmarked ware.

A temporary injunction was granted herein by Judge Lacombe (176 Fed., 927) restraining the defendants from using the trade-mark in controversy. The application was heard and ~~considered~~ upon a record which was not materially different from ~~that~~ which is now before this court save perhaps for the interposition of the British government, the arguments submitted by it, and the refusal by the patent office to register complainant's trade-mark—matters to which reference will later be made in this opinion. In granting the injunction, Judge Lacombe in broad terms expressed the opinion that a manufacturer or dealer in silverware in the United States is not precluded from adopting as a trade-mark an impression made up of three marks or symbols, by the fact that placed side by side they would indicate to a buyer of English silverware that the article so marked was sterling ware made in the city of Birmingham in 1831. The learned court said that when the dealer "has used the particular combination on his ware made in this country for upwards of forty years, and the same has been accepted by the trade as his identifying mark, without imitation by anyone, he is entitled to an injunction, at least until final hearing."

In *Kaiserbrauerei, Beck & Co. v. J. & P. Baltz Brewing Co.*, 71 Fed., 695, Judge Dallas decided that a mark of identity affixed to a vendible article which could not be lawfully appropriated for such purpose in a foreign country, could nevertheless be properly appropriated and used as a valid trade-mark in the United States. The Circuit Court of Appeals for the Third Circuit, affirming such decision (74 Fed., 222), held that the provision in the treaty with Germany that its citizens living in the United States shall receive the same protection as native citizens in matters of trade-mark, etc., can not be construed to preclude an alien German from acquiring by prior use in this country a trade-mark in a particular word though such use would not be allowed in Germany. The principle laid down in the cases cited is applicable to the case at bar.

The evidence conclusively establishes that from the first use of the mark it was the intention of the complainant's predecessors to make their silverware of coin and sterling standards favorably known to the public by their trade-mark, the lion, the anchor, and the letter G, and that in this intention they have been successful. That the lion passant when used as a trade-mark in England or elsewhere is expressive of superior workmanship or superior quality, and that the anchor is known in England to represent the place of manufacture, and that the hallmark is protected in England by statute is not enough to deprive the complainant of the right to use such features in combination with the old English letter G, as its trade-mark in this country. Sight should not be lost of the fact that such adoption occurred many years since at a time when it may fairly be presumed the Birmingham hallmark was little known in the United States. It has several times been held by the federal courts that a trade-mark used abroad may be adopted by one in this country in connection with a similar article provided its adoption was in good faith. *Richter v. Anchor Remedy Co.*, 52 Fed., 455. And though British hallmarks are not strictly trade-marks, this rule is thought analogous.

The circuit court of appeals affirming *Richter v. Anchor Remedy Co.*, 59 Fed., 577, held that sale to a limited extent in this country by a foreign manufacturer did not amount to such use or publicity as would indicate an intention to adopt as a trade-mark the marks upon the articles sold. Thus it would appear that any limited number of sales in this country, before or since complainant's adaptation, of hallmarked silverware assayed in Birmingham, did not absolutely deprive it of the right to use a similar emblem upon its vendible wares. Hence, the principal questions are whether the complainant originated the trade-mark in this country—the place where the articles are manufactured and sold, and whether after the exclusive use thereof by the complainant for a period of time sufficiently long to give the goods so marked a reputation for fineness or quality, the defendant by their imitation infringed the same.

It is not clearly shown that silverware hallmarked at Birmingham had been imported into this country, or that such hall-

mark was distinctively known at the time complainant first stamped the three emblems upon its goods. Indeed, the proofs are that such combined emblems are understood in this country as a badge affirming that the wares are the handiwork of the Gorham Mfg. Co. The evidence does not disclose the importation into this country of a sufficiently large quantity of silverware bearing the insignia of the Birmingham assay office to affect the complainant in the prior right to the use of his trade-mark as against another citizen of this country who wrongfully simulates the same and affixes it to an inferior grade of silverware. While it is true that the said hallmark is stamped upon silverware produced in Birmingham in large quantities and sold in Great Britain, yet that fact standing alone is insufficient to preclude the complainant from using the mark adopted by it half a century ago, even though the adaptation bears a strong resemblance to the Birmingham hallmark, despite the omission of the date letter and duty mark which, according to the publications of Buck, Jackson, Cripps and Chaffers, accompanied in the authorized Birmingham hallmark, the three emblems previously mentioned. There was introduced in evidence a silver spur which, according to the testimony of the witness Westwood, was legally hallmarked in the year 1830 or 1831, such mark consisting of the said features without, however, having the maker's mark and duty mark aligned with the principal emblems.

Further discussion of the right of the complainant to simulate the Birmingham hallmark for identifying its products makes it desirable that I should here state that the British government by consul *amicus curiae* has submitted an able brief in opposition to the claims of the complainant, in which it is requested that it be determined by the judgment of this court that neither of the parties to this litigation can lawfully acquire trade-mark rights in the emblems of the lion passant, the anchor, and the letter G, on the ground that such insignia is the hallmark of the Birmingham assay office. The importance of this question thus presented is not underestimated, and indeed so impressed by it was the commissioner of patents that he reconsidered the application by complainant for registration of the trade-mark and held it to be a simulation of the insignia of the British govern-

ment which public policy required should be refused registration. The decision of the commissioner of patents is entitled to the careful thought which I have given it, but I am not persuaded by his reasoning that the trade-mark in controversy is invalid. This action is not based on any registration rights under the federal statute, but is brought by virtue of common law rights—rights obtained because of the uninterrupted use of the mark for many years by the complainant in connection with its business, and because of rights prescriptive in their nature and superior to those of other citizens of this country in the said trade-mark, or indeed, as the record stands, superior even to the rights previously obtained by another under the laws of England. The English statute relating to hallmarks can not be given extra-territorial effect to bar a trade-mark adopted in this country and known to the trade as designating particular products of the complainant. *McLoughlin v. Raphael Tuck Co.*, 191 U. S., 267; *Baglin v. Cusenier Co.*, 221 U. S., 580; *Kaiserbrauerei, Beck & Co. v. J. & P. Baltz Brewing Co.*, *supra*. And in applying the rule of non-extraterritorial effect I may with propriety quote the words of Mr. Justice Hughes in the recently decided case of *Froman v. Ferris*, that there is no “indication of a purpose to incapacitate British citizens from holding their intellectual products secure from interference in other jurisdictions in accordance with the principles of common law.”

If this were an action by a British subject to enjoin infringement of the Birmingham hallmark complaining that his property right had been invaded, and it was shown that hallmarked silverware had previously been imported into the United States, a different question would be presented for decision. And even in that case something more would be required to establish such right than an importation “to a limited extent upon special orders, to supply particular customers.” *Richter v. Anchor Remedy Co.*, *supra*; *Kohler Mfg. Co. v. Beshore*, 53 Fed., 262; *MacMahon Pharmacal Co. v. Denver Chem. Mfg. Co.*, 113 Fed., 468; *Tetlow v. Tappan*, 85 Fed., 774. But in a litigation between citizens of this country it is to me perfectly plain that one can not be permitted to infringe upon the prior rights of the other in a trade-mark by the use of which he has built up

an extensive trade in a particular commodity. True enough, there is evidence showing importations of silverware from Birmingham since the year 1850, but whether they bore the Birmingham hallmark or some other hallmark does not appear. There have been some importations since 1878 bearing the Birmingham hallmark, but according to the proofs they were few prior to 1891, and it nowhere positively appears that silverware containing the Birmingham hallmark was imported into the United States anterior to complainant's adoption of such marking. It is unnecessary to go with more detail into the evidence relating to importations.

The defendants have urged that to hold the trade-mark valid would be a violation of the treaty between the United States and Great Britain, and furthermore, that such a monopoly would interfere with importations of silverware from England and its possessions, but this contention in view of what has been said is without merit. It is further argued, and the point presented for consideration, that the act of Parliament of 1773, relating to hallmarks, was a public act which became operative throughout the colonies and was continued in force by the first constitution of the state of New York. It is true enough that the first constitution of this state provided that such parts of the common law of England, and of the statute law of Great Britain, and of the acts of the legislature of the colony of New York as formed the law of the colony in the year 1775, should constitute the law of this state, etc. But in answer to this contention it is enough to say that such provision, save as to the common law, was not included in subsequent constitutions, and therefore is not now the fundamental law of this state; nor are the English statutes, under which silverware manufactured in England is hallmarked, in force in the United States.

It next appears that the claim of complainant to an exclusive right in the trade-mark in suit was not sustained in an action brought in the Exchequer Court of Canada against Ellis & Co., and it is insisted by defendants that the principle upon which that case was decided applies here. It was not, however, determined in that case that the use of complainant's trade-mark in Canada was unlawful, nor was it held that the statutes of

England as to hallmarking, standing alone, were sufficient to preclude complainant from enforcing its trade-mark rights in Canada. The adverse decision was based upon the fact that the Birmingham hallmark had been in use in Canada for a continuous period prior to complainant's use. As to whether the evidence relating to such prior use in Canada was as meager and unsatisfactory as in this case does not appear, but it may be presumed, I think, to the contrary, as the learned court regarded the evidence sufficient to establish the claim of anticipation.

The next inquiry is as to the effect of marks registered by the complainant or for which applications for registration were filed. It appears that the essential features of one registered trade-mark, No. 33,902, affixed to the bill—are three raised panels, but the specification however makes clear that each panel has on it a representation—on the left panel, a lion; on the central panel, an anchor, and on the right panel, the letter G in old English, but that both the lion and anchor may be omitted. But in view of complainant's reliance on its common law trade-mark it is difficult to see how such marks or panels have any relevancy. It is unimportant that complainant has registered other trade-marks which it applies to articles differing in kind or quality. Such additional registered trade-marks were not an abandonment of complainant's common law trade-mark, and their registration has not deprived it of right to protection in the use thereof. *Layton Pure Food Co. v. Church & Dwight Co.*, 182 Fed., 24; *Saxlehner v. Eisner & Mendelson*, 179 U. S., 19; *Loonen v. Dietsch*, 189 Fed., 487.

Concededly, the defendants put upon their silver-plated ware a simulation of complainant's trade-mark—the anchor, the lion passant and old English letter G, and although proof of confusion is unnecessary (*Gannert v. Rupert*, 127 Fed., 962), consideration is nevertheless given the defense of non-infringement in treating of defendants' liability for unfair dealing in trade. It is proven that the defendants, with the intention of diverting to themselves a portion of the good will of complainant's business, have put upon the market and sold a silver-plated ware of inferior grade, but of the same general appearance as that of the

complainant's solid or sterling ware, and to accomplish their purpose have used the complainant's insignia or trade-mark to cause it to be believed that their goods were of the same quality as complainant's. When the defendants put their inferior grade of silverware, which has the appearance of complainant's, on the market and then brand and stamp it with the anchor, lion and letter G, a customer acquainted with complainant's stamp or mark is likely to fall into error and to mistake the defendants' ware for complainant's. *Pillsbury-Washburn Flour Mills Co. v. Eagle*, 85 Fed., 608. That the defendants intended to engage in competition with complainant and by unfair and dishonest means to divert to themselves a part of its business is undeniable, actual confusion from the similarity of marking sufficiently appearing by the testimony of witnesses Atkins and Falding. The affidavit of Frederick Weintraub shows that the firm used various marks on their silver-plated ware which had been given them by different dealers for whom the ware was manufactured. From such testimony and acts it appears that there was an intention on the part of the defendants to misrepresent their goods, and they must be held to have intended the consequences of their acts. *Von Faber, et al. v. Faber*, 124 Fed., 603; *Devlin v. McLeod*, 135 Fed., 164; *Florence Mfg. Co. v. J. C. Dowd & Co.*, 178 Fed., 73. It is not enough that the defendants sold their ware as silver-plated ware and that dealers were fully aware of the character thereof. *Pillsbury-Washburn Flour Mills Co. v. Eagle, supra*.

Other questions have been argued, but in view of the foregoing they need not be substantially passed upon.

The complainant is entitled to a decree as prayed for in the bill, with costs.

GORHAM MFG. CO. v. ANTHONY J. SCHMIDT, *et al.*

Southern District of New York, May 10, 1912.

I. INFRINGEMENT—EVIDENCE—TRAP ORDERS.

Proof of purchases by the complainant's attorney and by a clerk in his employ are sufficient to establish infringement, where it is shown that other goods than those sold, bearing the infringing mark, were displayed for sale in the defendant's store.

2. INFRINGEMENT—KNOWLEDGE OF INFRINGER.

Ignorance of the dealer that the mark displayed on goods sold by him is an infringement is immaterial. He must be on his guard against infringing on the rights of others in handling goods sold him by dealers.

In Equity. On final hearing.

Messrs. Mason, Fenwick & Lawrence (L. L. Morrill and Hugo Mock, of counsel), for complainant.

Benno Locwy, for defendant.

HAZEL, J.—This is an action for infringement of complainant's trade-mark by the defendants who are dealers in silver-plated ware, and for unfair competition in trade. The trade-mark which is the subject of this controversy is identically the same as that considered, and held valid and infringed in *Gorham Manufacturing Company v. F. & M. Weintraub*, manufacturers of silver-plated ware. A recitation of the material facts upon which such trade-mark was held valid, is unnecessary. The issues are precisely the same save as to specific acts of infringement.

The defendants insist that infringement by them is not sufficiently established, and, in any event, that there was no fraud or deception in the two sales complained of because the buyers, who were respectively an attorney for the complainant and a clerk in its employ, knew the nature of the goods they were buying, and that the goods upon which the trade-mark was stamped were of an inferior grade. It was also testified that the defendants, in addition to such sales, displayed for sale in their store, 40 or 50 pieces or so of silverware which had stamped on them the anchor, the lion passant and the old English letter G. This *prima facie* showing is sufficient to justify enjoining defendants from selling their plated ware which has upon it complainant's trade-mark. *Burnett, et al. v. Hahn*, 88 Fed., 694; *Lever Bros. v. Pasfield*, 88 Fed., 484; *Devlin v. McLeod*, 135 Fed., 164; *Low v. Fels*, 35 Fed., 361.

Dealers are obliged to be on their guard when buying from manufacturers, and to a certain extent are put upon inquiry as to the character of the manufactured product, the manner in which it is labeled or impressed, as well as to the packages in

which it is contained, in order to protect the trade-mark rights of other manufacturers engaged in the same business. The trade-mark in controversy, according to the proofs, was used for upwards of fifty years by the complainant, and became widely and favorably known in the United States as an indication of the genuineness of its silverware and the excellence of the workmanship. It is possible that the defendants had no knowledge of the way complainant's silverware was identified, and honestly relied wholly upon the rectitude of the manufacturer, believing that the latter would not trade-mark a product in such a way as to influence customers to buy silver-plated ware when they wanted complainant's ware. But certainly under the proofs, to adequately protect the complainant, the defendants must be enjoined from further sales of ware impressed with the said trade-mark.

True enough, it is not conclusively shown that there existed an intention on the part of the defendants to deceive or defraud their customers, but in a case such as this, force must be given to the presumption which arises from the infringement of a valid trade-mark. *Gannert v. Rupert*, 127 Fed., 962; *Florence Manufacturing Co. v. J. C. Dowd & Co.*, 178 Fed., 73. There is no direct evidence that the silverware examined by the complainant's witnesses and the pieces bought by them were obtained by the defendants from the firm of F. & M. Weintraub, but it appears by the affidavit of William H. Schmidt, read on motion for temporary injunction, that the defendant firm had bought "Sheffield Plate" from F. & M. Weintraub.

The complainant is entitled to an injunction, but without an accounting.

GORHAM MFG. CO. v. DI SALVO BROS.

Southern District of New York, May 10, 1912.

1. INFRINGEMENT—EVIDENCE—TRAP ORDERS.

Proof of sales to a witness who is not deceived is enough to establish infringement, where it is shown that a stock of the infringing goods is kept for sale by the defendant.

2. INFRINGEMENT—INJUNCTION.

An injunction will be granted to prevent threatened infringement, where goods bearing the infringing marks are kept in stock and offered for sale, though the only proven sales are to witnesses sent for the purpose by the complainant and who were not deceived.

In Equity. On final hearing.

Messrs. Mason, Fenwick & Lawrence (L. L. Morrill and Hugo Mock, of counsel), for complainant.

Benno Loewy, for defendant.

HAZEL, J.—What has already been said in the actions against F. & M. Weintraub and against A. Schmidt & Son, regarding the validity of complainant's trade-mark and infringement applies in this action. The defendant besides selling silverware keeps an antique shop. It is quite believable that connoisseurs in silverware when seeing the complainant's trade-mark impressed on what they assume to be a second-hand piece of silverware would be misled into buying it in the belief that it was complainant's production. It is not altogether unlikely that a dealer of second-hand silverware might have in his possession silverware spuriously marked without his knowing it, or having a dishonest intention to palm it off for something different than it really is. It is shown without contradiction, however, that the defendants have on sale in their store a large quantity of silverware, and that upwards of forty pieces of various sizes, at the time of the examination by complainant's lawyer, bore the counterfeit marking of the trade-mark in question. It is evident that the complainant's witness was not deceived by the sale to him, as presumably he was aware that he was not receiving genuine silver, or at least silver of the fineness of complainant's manufacture, yet, as the record stands, it may fairly be supposed that the defendants will sell the spurious product for the genuine unless restrained.

There is no evidence showing that the silver-plated articles in the defendants' stores came from F. & M. Weintraub, but nevertheless, under the doctrine of *Gannert v. Rupert*, 127 Fed., 962, and *Florence Manufacturing Co. v. J. C. Dowd & Co.*, 178 Fed., 73, proof of confusion, deception, or injury to any marked extent, is unnecessary, and complainant is entitled to protection from threatened infringement. *Lever Bros. v. Pasfield*, 88 Fed., 484; *Low v. Fels*, 35 Fed., 361.

A decree of injunction may be entered, without an accounting.

THE COCA-COLA COMPANY V. WILLIAMSEURGH STOPPER COMPANY, *et al.*

THE COCA-COLA COMPANY V. WITTEMANN BROS., CAVALIERE, *et al.*

Southern District of New York, June 3, 1912.

1. UNFAIR COMPETITION—IMITATION OF FORM OF MARK.

The name "Espo-Cola" is not in itself an infringement upon the trade-mark "Coca-Cola" but the use of a style of script in imitation of that employed by the complainant will be enjoined.

2. UNFAIR COMPETITION—IMITATION OF COLOR OF BEVERAGE.

The manufacturer of a beverage to which a brown color is imparted by the use of caramel can not enjoin the manufacturer of another beverage from coloring his article in the same color and shade as the complainant's, whether by the use of the same or of any other coloring medium.

In Equity. On motions for preliminary injunctions.

Harry D. Nims, for complainant.

Kiernan & Moore and *Sproull, Harmon & Sproull*, for defendants.

HOUGH, J.—This matter having been heard both on the original motion and on the settlement of an interlocutory decree, two questions were reserved for further consideration:

1st. Whether the defendant Esposito should be restrained from using his trade-mark "Espo," written or printed in that particular form of script long used by complainant, and

2d. Whether complainant is entitled to prevent defendants from coloring their product with caramel so as to produce that brown color said to be characteristic of Coco-Cola.

As to the first point I am now convinced that the complainant is entitled to the relief asked. "Cola" is admittedly a descriptive word in which complainant is entitled to no especial or exclusive right. Nevertheless, the affidavits submitted are fully persuasive to the effect that "soft drinks," to which the word "Cola" can properly be applied, owe, if not their introduction, certainly their popularity wholly to the long-continued efforts of complainant.

Esposito may use the word "Cola" and may use the word "Espo," but when he expresses either or both of those words in a style of script commercially unheard of except for advertising purposes, I am persuaded that he goes too far.

As to the second point, my conclusion is against the complainant, and for the following reasons:

1. Despite the affidavit of Dr. Chandler, I can not persuade myself that caramel is wholly destitute of flavoring properties. I do not find this fact asserted in the dictionaries, and it is well known that caramel is commonly used in domestic cookery, and that (as domestically prepared, at all events) it has flavor I am sure. Since preliminary injunctions are always matters of grace, I think I am entitled to consider even something based on personal experience.

2. There is a complete lack of direct authority upon the point urged by complainant's counsel, and on familiar principles, this might well be considered enough to avoid a *preliminary* injunction where no immediate and overwhelming injury is to be expected.

3. There are reported decisions in which the legal difficulty of appropriating even for wrappers any given color is dwelt upon. To be sure, the door is left open for further consideration by *Leschen Co. v. Broderick, etc., Co.*, 201 U. S., 166, but there are very appropriate remarks on the danger of permitting the appropriation of color in *Diamond Match Co. v. Saginaw Match Co.*, 142 Fed. Rep., 727. The litigation over Elastic Seam Drawers is a perfect instance of the uncertainty at present attending the matter (134 Fed. Rep., 366; 154 Fed. Rep., 914; 158 Fed. Rep., 1020). In this last series of litigations I am respectfully of the opinion that the decision of the fourth circuit is the better.

4. The papers submitted on these motions contain no evidence of any immediately expected injury; it is not shown that any damage has occurred, and they do not persuade me that any damage will occur. This is a good reason for refusing a preliminary injunction.

5. The foregoing positions are mostly negative, and do not

really advance the discussion of a question that is sure to come up hereafter.

How far the courts can go—or should go—in safeguarding one man's private business is a very delicate question, and many of the solutions hitherto attempted are far from happy. Instances of this in the appellate court of our own circuit are the cases affecting Chartreuse, Dr. Reed's Cushion Shoe, and within the last few weeks the as yet unreported decision in the *Matter of the Waterman Pen Company*.

It is in my opinion a mistake for courts to go beyond the broad and very general principles of the law of unfair competition.

Being also of opinion that, more and more, men of experience are departing from the doctrine that the basis of unfair competition law is the protection of the public, and coming to the firm proposition that what is entitled to protection is complainant's property rights, the basic question is always this: What is the *thing* which the alleged infringer has the right to make and sell?

Here the *thing* is to be dissociated from all such extraneous matter (however important) as trade-marks, packings, wrappers, dress, advertising, and the like.

Every observer has probably noted some things in common use made by many manufacturers, yet resembling each other, especially in color: Thus there are many white soaps, red dentifrices, and green hair-washes; and many people know that these colors are not essential. In this prevailing similarity of color there is a certain amount of imitation. I do not think it can be avoided, nor that it should be prevented. If one manufacturer can appropriate a brown summer drink, others in other businesses can do the like—the primary colors are soon exhausted, and it needs very little of the spirit of prophecy to see the courts regulating shades of color as between different proprietors, with results beside which some judicial efforts in the way of labels would rank very high.

As applied to this case, I think that not only are Cola drinks open to the world, but brown Cola drinks are similarly open, or, in other words, that the unpatented article made by

complainant is a *thing* (color and all) which anyone can make and vend in competition with complainant, and ought to be permitted so to do.

It seems to me that the bread cases, of which the last is *Fox Co. v. Best Baking Co.*, 209 Mass., 251, measurably support the statement above insufficiently made.

The injunction orders have been signed along the lines indicated.

NOTE

Since the filing of the memorandum herein on June 3, 1912, the complainant has called my attention to the fact that its counsel considers that the use of caramel or any other particular substance "to produce that brown color said to be characteristic of Coca-Cola" is unimportant.

As I now understand it, the proposition is that complainant wishes to prevent defendants from coloring their product (with anything) so as to produce said brown color. If the proposition considered be stated as the complainant now states it, my conclusion would be the same as before. As matter of fact, however, complainant does use caramel and so do the defendants; caramel happens to be brown, though doubtless it may be of many shades of brown. I think the defendants may choose and use the same shade of brown as does the complainant just as freely as any butter manufacturer can make his butter of the same shade of yellow as that affected by the most popular brand he knows of—butter, I believe, being naturally whitish in color, at most seasons of the year.

[NOTE.—The rule to be deduced from the above opinion with respect to the use of colors would seem to be that any dealer may make free use of the exact color or shade, by use of which some older and better known competitor has built up a reputation for his goods. This seems not to accord fully with other decisions bearing on this subject.

It is difficult to detect any difference between the principles that should govern the right to use a color and those that determine the right to the use of shape, form, size or other external characteristics of an article of commerce or the use of the common words of the language, or the names by which cities, towns, states, nations, rivers, mountains, and the like are known, and which everyone has, *prima facie*, the right to use.

The courts have limited by injunction, in many instances, the use of all of these things as trade-marks; and there seems to be nothing sacred or peculiar about color which should prevent the regulation of its use in a similar way. If the result of the use of any of these things be confusion in the minds of the purchasing public, and consequent loss to the complainant, it would seem to be unimportant, as a legal proposition, whether this loss accrues because of the misuse of a color or the misuse of an oval form, as was the case in the Fox Bread cases (*Fox v. Glenn*, 199 Mass., 344; *Fox v. Hathaway*, 199 Mass., 201; *Fox v. Best Co.*, 209 Mass., 251).

A study of the decisions along this line seems to show that the primary question is not whether or not one may limit the use of a color, but whether or not the defendant, in his selection of color, or form, or other characteristic of his goods has done his full duty to distinguish so far as possible, his goods from those of his rivals. Has he taken such reasonable precautions as are commercially practicable to prevent diversion of plaintiff's custom unfairly? (*Holmes, J., American Co. v. U. S. Co.*, 173 Mass., 87.) The question is not one of trade-mark, but one of fraud (*Lawrence v. Tennessee Co.*, 138 U. S., 537).

To show, in part, the extent to which the courts have limited the rights of persons to make free use as trade-names of words commonly to be regarded as public property the following decisions may be mentioned:

Names of Places: In *Elgin National Watch Co. v. Illinois Watch Co.* (179 U. S., 665), the court, while refusing to hold that the word "Elgin," which is the name of a town, was a technical trade-mark, stated that the rights of the complainant in the name would have been protected, under the rules of unfair competition, had a secondary meaning in the name been alleged and proved.

In *Newman v. Alvord* (51 N. Y., 87), the plaintiff was held to have acquired a right in the name "Akron" which entitled him to insist upon a limitation of the use of this name, by his competitors in the line of business in which both were engaged.

Two notable cases of this character are the "Stone Ale" case (*Montgomery v. Thompson*, 1891, A. C., 217), and the "Glenfield Starch" case (*Wotherspoon v. Curry*, L. R., 5 H. L., 508), in which the plaintiffs were held to have acquired such rights, in connection with their business, in the names of the two English terms "Stone" and "Glenfield" as to give them the right to restrict the use of these names by their competitors.

In *American Waltham Watch Co. v. United States Watch Co.* (173 Mass., 85), the court enjoined the defendant from unlimited use of the words "Waltham" or "Waltham, Mass.," on its watch plates.

Common Words: Common nouns of the language have also been protected in a similar way. The words "Camel" and "Hair" have become so associated with the house of Reddaway, in England, as to make it impossible for anyone else to use them together as a name for belting without creating deception (*Reddaway v. Banham*, 1896, A. C., 199). The same is also true of the word "Silverpan," as a trade-mark for jam, cooked in a silver pan (*Faulder v. Rushton*, 20 R. P. C., 477).

Shape, Form, Size: Unlimited use of these characteristics has been forbidden in various instances, where the characteristic was not essential or necessary to the operation or use of the article to which it belonged. For instance, this was held in connection with the "Flare Front" automobile lamp (*Rushmore v. Manhattan Co.*, C. C. A., 2d Cir., July, 1908); also of a peculiarly shaped coffee mill (*Enterprise Mfg. Co. v. Landers*, 131 Fed., 240).

Personal Names: One is not, under all circumstances, free to use

his own name as a trade-name. It has been frequently held that such use of one's name must be fair and reasonable, and that one must avoid such use of his name in business as will create confusion, or injury to another of the same name engaged in the like business before him. This principle has frequently been applied in connection with Baker's chocolate (*Walker Baker & Co. v. Slack*, 130 Fed., 514), and Rogers Bros. silverware (*International Silver Co. v. William H. Rogers Corporation*, 67 N. J. Eq., 646).

There are numerous other cases of a similar character.

In analogy to the protection of these other external characteristics, the courts have frequently protected color as one of the features of a commercial article, although the decisions on the subject up to the present are not entirely in accord.

The supreme court of the United States has never squarely considered the question, but in two instances has passed upon the matter indirectly. In *Lawrence v. Tennessee Co.* (138 U. S., 537), the court adopted with approval the exact words of Bradley, J., in *Putnam Nail Co. v. Bennett* (43 Fed., 800), where that judge, speaking of horseshoe nails colored bronze to distinguish them, said:

"Whether this is of itself a good trade-mark or not, it is a style of goods adopted by the complainant which the defendants have imitated for the purpose of deceiving and have deceived the public thereby, and induced them to buy their goods as the goods of the complainant. This is fraud."

Again, in *Leschen v. Broderick* (201 U. S., 166), the court had before it a case based solely on the rights acquired under the federal law, and held that a registered mark claimed to consist of "a red or other distinctively colored streak applied to or woven in a wire rope" was invalid, because too indefinite; but, in its opinion, the court remarked that the application referred to the mark as being commonly used in a red color and then added:

"If the trade-mark were restricted to a strand thus colored it might be sustained."

thus leaving the question open as to what protection this court will accord to a color when used as a distinguishing mark of goods.

This opinion has been followed by the court of appeals of the District of Columbia, in a case between the same parties (36 App. Dist. Col., 451, 1911), where it was shown that the plaintiff since 1888 had marked his ropes with a strand of one color, and the defendant had later begun to mark his rope in a very similar manner, but using another color. The court said:

"The only difference in the mark is that of color. They are both used upon wire rope, and are both applied in substantially the same manner. It is admitted that appellant has used its mark for more than twenty years, and if this were a case of unfair competition there would be little doubt as to appellant's right to relief, for while color, generally speaking, is not a proper subject of a trade-mark, a rival dealer may not appropriate another's mark by merely changing its color."

In *Scriven v. North* (134 Fed., 388, 1908, C. C. A., 4th Cir.), the court had under consideration a mark which consisted of an elastic, buff-colored insert in underwear. The question arose as to the right of the plaintiff to prevent the defendant from using the same color for this insertion as that which had been adopted and used by the complainant.

The color of the complainant's insert was the natural color of the Egyptian yarn that the complainant used. The court said:

"If the defendants have used habitually for their elastic inser-

tion an inferior quality of American yarn dyed a buff color to imitate the natural color of the superior quality of Egyptian yarn used by the complainants, the intention to deceptively imitate complainants' product would be conclusively established. We do not think that it would be proper to forbid by injunction the use of a like color of insertion if that was the natural color of the material used, as appears to be the case with the Egyptian yarn; but the use of an inferior material, dyed to imitate the color adopted by complainants, ought clearly to be forbidden, for this color was originally selected by complainants for the purpose of distinguishing their goods, and the use of inferior material dyed to imitate it could have no other purpose than to deceive, and would be calculated to mislead, the public, accustomed to the distinctive characteristics of the complainants' garment, into buying an inferior article.

"The defendants, if they wish to sell their goods on their own merits, have a wide field of selection, and, if they use dyed insertion, may dye them red, or blue, or black, as they may choose. They may make and sell cheaper garments than complainants', for cheapness, notwithstanding some pronouncements against it lately from high political quarters, is not yet an offence denounced by legal penalties; but no person has the right to make or sell a cheap and inferior article, dressed in the guise of a superior article made by another, and so deceptively palm it off. This is an injury both to the honest manufacturer and to the public."

The court declined to enjoin the use of the Egyptian yarn, or any other yarns, for such insertion, the natural color of which might be buff or yellow.

The same question arose later in the sixth circuit court, in *Newcomer & Lewis v. Scriven* (168 Fed., 621, 1909), and that court held:

"Color, except in connection with some definite arbitrary design, such as impressed upon a certain star, cross, or other figure, or employed in definite association with some characteristics, which serve to distinguish the article as made or sold by a particular person, is not the subject of monopoly as a trade-mark." (Citing *Diamond Match Co. v. Saginaw Match Co.*, 142 Fed., 727; *Regensburg v. The Portoondo Co.*, 142 Fed., 160; and *Leschen v. Broderick*, 201 U. S., 166).

This case was to enjoin infringement of a trade-mark and to restrain unfair competition.

The court also said, in speaking of the buff color used by Scriven:

"But as that color is not an artificial color, Scriven has no monopoly. The color of the strip in the drawers sold by the defendant has not been artificially produced, but is shown to be the natural color of the undyed and unbleached cotton yarn from which the strip is made."

These two cases are not in conflict on this particular point, for both hold that everyone has a right to make such an insertion of material from Egyptian yarn, and to use for such an insertion the natural color of such a yarn. They do not hold that the defendant could, by artificial coloring, imitate the color of the complainant's insert, whether the latter were due to the natural color of the goods used, or artificially produced by the use of dyes.

A recent decision (*Samson Cordage Works v. Puritan Cordage Mills*, 193 Fed., 274, 573; 11 T. M. Rep., 171, 192), is to a similar effect. Here the complainant marked rope by weaving into it one strand of a color

different from the others which were uniform. The defendant imitated this, and the court held:

"Where an arbitrary mark, not naturally a part of the fabric, is in any wise impressed upon it, it may be a trade-mark if so intended and used, but no spot made on or color imparted to a fabric as the inevitable or necessary result of using the material of which the fabric is made, can be the basis of a trade-mark."

Here it would seem, however, that the court had failed to understand the rule regarding structural features of an article. There can be no trade-mark rights in the shape of an article when such shape is essential to its use (*Manel v. Pearl*, 133 Fed., 160). Apparently in this case the red strand was not an essential feature of the rope but a decorative one.

To a similar effect is the case of *Howard Dustless Duster v. Carleton* (185 Fed., 999), where Platt, J., in the United States district court of Connecticut, recently held that one who dyed a duster, made of white cheesecloth, a black color, when he knew that the complainant had a well-established business in a duster which he had for a long time dyed black, for the purpose of distinguishing it as his product, was guilty of unfair competition, and said:

"The black color is in no sense necessary, and its use must, in my opinion, lead to confusion, uncertainty and loss of trade which might by right belong to the plaintiff."

After this decision was rendered, it was shown to Judge Platt that the complainant's duster was not the only black duster on the market, and he consequently modified this ruling. This does not affect the accuracy of the statement of law in the first case, which had been based on proof that the public were accustomed to associate a black duster with the complainant's product.

There are various other cases holding that color and shape can not constitute a valid trade-mark (*Regensburg v. Portuondo Co.*, 136 Fed., 866): that color alone, apart from a name or figure, can not be a trade-mark (*Fleischmann v. Starkey*, 25 Fed., 127; *Diamond Match Co. v. Saginaw*, 142 Fed., 727; *Leschen v. Macomber*, 142 Fed., 289).

A study of these cases seems to show that, if a merchant owns an article which the public has come to recognize as his through some color used in marketing it, he is just as much entitled to protection of that property against unfair competition as he would be if the public recognized his article through some other characteristic, such as shape or form, or through some name or word which the public were entitled to use as freely as he.]

SUPREME COURT OF WISCONSIN

PHOENIX MFG CO. V. WHITE, *et al.*

(135 Northwestern Rep., 891.)

UNFAIR COMPETITION—USE OF OWN NAME.

Where a licensee under a patent had at his own expense and by his own effort established a demand for the patented article under the name of the patentee, as the "White" saw swage, the patentee can not be thereafter permitted to make and sell another saw swage of his invention under the name "White" or any name of which this word forms a part. He may however use his name in his business

separately or as part of a corporate or firm name, many advertise the invention as his own and as a new and improved saw swage of his manufacture.

Appeal from the circuit court, Eau Claire County.

Bunday & Wilcox, for plaintiff.

Flanders, Bottum, Fawcett & Bottum, and *C. E. Munroe*
(*James G. Flanders*, of counsel), for defendant.

WINSLOW, C. J.—This is an action in equity to establish and enforce by injunction an exclusive right on the part of the plaintiff to manufacture and sell certain patented saw swages, invented and patented by the defendant Albert E. White, and to enjoin said White from manufacturing or selling any saw swage equipped with certain specified parts, and from advertising for sale any saw swage under the name "White Saw Swage," or any similar name. A saw swage is a hand machine, used for spreading or broadening the cutting surface of the teeth of rotary, band, or other, saws at the point and for a little distance below the point. This is done by placing the machine on the edge of the saw, so that the tooth to be swaged comes between two steel dies, one of which is stationary, and is called the "anvil die," and the other is a movable eccentric die, both of which are set firmly in a circular steel block. By means of a lever, the eccentric die is pressed with great force against the cutting surface of the tooth, the back of which rests against the anvil die, and thus the point of the tooth is broadened.

In November, 1895, the defendant Albert E. White had perfected an improved saw swage and applied for a patent thereon, which patent was actually issued to him August 3, 1897, and numbered 587,539, and is hereafter called the first patent. November 18, 1895, a contract was made between White and the plaintiff, by which White granted to the plaintiff "the exclusive right to manufacture and sell throughout the United States, its territories and the Dominion of Canada, the said saw swages, together with the inventions and improvements on same which have been or may be invented, and for which letters patent are now pending or may hereafter be issued to him in the United States and the Dominion of Canada for improvements in saw swages and at-

tachments thereto to the full end and term for which any patent may be issued thereon, subject to the limitations and conditions hereinafter named."

By this contract, White also agreed as follows: "Faithfully to devote his services and skill as inventor to perfecting and completing the said invention and improvements and to use his best endeavors to introduce the same for sale and use and to make the same efficient and successful in operation, and to create the best possible demand and market for his said invention and improvements to the end and purpose that the manufacture and sale thereof may be made as profitable and extensive as he may do by the exercise of his best efforts and skill in that behalf. And the said A. E. White further agrees in consideration of this agreement and his salary hereinafter mentioned as the agent of the said party of the second part, and under its direction as workman and traveling salesman to sell and introduce the saw swages and invention and improvements thereon and also any other articles of manufacture as requested by the said party of the second part, by the exercise of his best skill and ability as such workman, salesman or agent, and that he will faithfully devote his time, ability and services in and about the introduction and perfection of said invention and improvements thereon for the best interests of the business of said Phoenix Manufacturing Company."

The contract further provided that the plaintiff should manufacture and sell the said patented swages and the improvements thereon, and pay a royalty to White of \$5 for each swage sold; that the agreement might be canceled by either party by six months' written notice at any time; and that White should be employed as traveling agent and salesman by the plaintiff for one year at a salary of \$1,000, subject to the right of either party to terminate the employment by giving thirty days' notice to the other.

Upon the making of this contract, the plaintiff entered on the manufacture and sale of the machine, and successfully prosecuted the business and made regular payments of royalties to White, as agreed. White also went to work under the contract, and continued to travel and make sales for the plaintiff, with no

formal renewal of the contract, until July 30, 1899, at which time he quit such employment by mutual consent and went to Louisiana, intending to engage in the lumber business there, but abandoned that intention and returned to Eau Claire, and, on September 5, 1899, resumed his employment with the plaintiff at an increased salary, and so remained until August 22, 1908, when he finally left. In August, 1899, White assigned his interest in the patent to one C. B. Daniels, then president of the plaintiff company, as security for moneys which it was expected that Daniels would advance to him to be used in the Louisiana business, but, as no advancements were ever made, Daniels, on September 7, 1899, at White's request, assigned the patent to the latter's wife, Georgianna M. White. Both assignments were made without consideration. On September 9, 1899, Georgianna M. White entered into a written contract with the plaintiff with reference to the future manufacture of the swage, which the plaintiff alleges was made at the request of and with the consent of White. White denies that the last-named contract was made at his request, or that he had anything to do with it, except to carry a message from the plaintiff to his wife about it. The court, however, found that it was made at White's request, and it was abundantly proven, not only that the contract was made at his request, but that he conducted the negotiations, while his wife simply signed it, because the patent stood in her name. This second contract, after reciting the issuance of the patent and its transfer to Georgianna, grants to the plaintiff the exclusive right to make and sell the swage, "together with the inventions and improvements on the same which are or may be invented or added thereon, and attachments thereof to the full end of the term of said patent," subject to the conditions thereafter named. The contract further provided for the same royalty as before, and that the plaintiff would not manufacture or sell any other saw swage while manufacturing the White swage, and that in case it should not sell at least 100 each year, or at its option pay the contract royalty for 100, the said Georgianna might, at her option, terminate the license by six months' written notice. By the final clause of this agreement, it was provided that it should "supersede and take the place of all other or former con-

tracts or agreements made respecting said patented saw swages or improvements."

After the making of this contract, the manufacture and sale of the swage by the plaintiff went on as before, and the royalties were paid by check to the order of Georgianna M. White, with the full knowledge and consent of White. Mrs. White testifies that the checks were all deposited to the credit of her account in the bank (Mr. White never having kept an account of his own), and that checks were drawn on that account by herself and her husband indiscriminately. Mr. White continued in the plaintiff's employment, his work being enlarged from time to time, so as to cover the making of plans and specifications for mill outfits and getting orders for the same; but he incidentally also sold the swages. In the fall of 1904, and while still at work for plaintiff, he designed a new swage and applied for a patent thereon, which was finally issued to him April 3, 1906, numbered 816,695, and which will be hereafter called the second patent. The specification of this second patent declares that the "invention relates to devices for swaging the teeth of band, gang, and circular saws, and is designed as *an improvement over the swage device* shown and described in letters patent of the U. S. No. 587,539, issued to me August 3, 1897." In this second patent, the dies were not changed, nor their operation; but there was added a frame, so that the block containing the dies was supported on the edge of the saw, combined with a slotted, semi-circular arch above the saw, furnished with stop pins for regulating the distance to be traveled by the lever, which was forged, so that the handle was directly above and in the plane of the saw, thus insuring a direct pressure, instead of a one-sided pressure, as in the case of the former lever. After the perfecting of this second invention, it was manufactured by the plaintiff, advertised and sold by and with the knowledge and consent of the defendant White as the "New White Saw Swage," and the same royalty was paid to Mrs. White on each of the improved swages as on the old. White claims that this use was permissive only, and under a verbal agreement with Mr. C. B. Daniels (now deceased), which contemplated a definite agreement in the future; but, as Mr. Daniels died before the commencement of

this action, Mr. White was not allowed to give any evidence of such an agreement, and no other witness gave any such evidence.

The court found that the two Whites and the plaintiff, from October, 1904, until August, 1908, treated the swages covered by the second patent as merely an improvement on the swages covered by the first patent, and as one of the improvements covered by the terms of the second contract; that, relying on this understanding, the plaintiff spent large sums of money, extensively advertised and catalogued both machines, describing the machines made under the second patent as "New White Swages" and "Improved White Swages"; that Mr. White himself knew of and wrote the introduction to the catalogue, and that the plaintiff had thus built up a trade, and such swages had become generally known to the trade throughout the United States and Canada as "White Swages," "New White Swages," and "Improved White Swages." It further appears by the testimony that in August, 1908, White invented another improved saw swage, and made application for a patent thereon, which application was still pending in the United States patent office at the time of the trial, though a patent had been granted thereon in Canada, March 1, 1910. In this third machine, both dies are set in a different way in the block, and the eccentric die is of somewhat different shape, the slotted arch and pins and forked lever are used, and there are new adjustable spring brackets for supporting the frame of the machine on the saw teeth, also a pivoted guide. With regard to this invention, there was some difference of opinion between the parties; Mr. Daniels being of opinion that the plaintiff was entitled to manufacture it under the former contract as an improvement. After some discussion and negotiations, it was agreed that White might resign his employment and himself engage in the manufacture and sale of swages under his last invention; and White thereupon resigned and devoted his time for a number of months to making patterns and models of the third invention in the plaintiff's shop, and paid the plaintiff considerable sums for the shop work, etc.; the plaintiff knowing that White intended to himself manufacture and sell the new swage from the models so made, but not knowing that he proposed to sell them under the name "New Improved White

Swage," or any name incorporating the word "White" therein. White, in April, 1909, engaged in the manufacture of swages under the third invention, and began to distribute in the United States and Canada catalogues describing his swages as the "New Improved White Sawes," and used the word "White" as a trade-mark on the machine itself. The catalogue announced that White had severed his connection with the plaintiff, and designed an entirely new line of swages, to be marketed and sold under his own name, and to be known as the "New Improved White" that they contained radical changes and improvements, and did not contain any important feature or part of the White swages made and sold by the plaintiff. The trial court found that considerable confusion had been caused by the issuance of this catalogue; that orders from customers for swages that were intended for the plaintiff were addressed and sent to White; and that the use of the word "White," or the words "New Improved White," by the defendant is likely to deceive the plaintiff's customers in the purchase of saw swages, and also tends to confuse purchasers as to which swage is intended, and is in fact injurious to the plaintiff's trade and business.

From the foregoing facts, the court concluded * * * (3) that the use by defendant White, in advertising or describing the swages made by him, of the words "White Saw Swages," "New Improved White Swages," and the word "White," in describing the same, or as a trade-mark thereon, tends to deceive plaintiff's customers, and is in violation of plaintiff's right, and that plaintiff is entitled to an injunction, restraining the said White therefrom, but not from carrying on the business of manufacturing or selling swages in his own name.

Judgment was entered substantially according to the finding. That part thereof which enjoined the defendant White from advertising and selling his swages under the name "White Saw Swage" and other kindred names is as follows: "It is further ordered, adjudged, and decreed that the defendants, and each of them, their agents and servants, in advertising or selling any swage or device designed or intended as a swage of saws, be, and they are hereby, perpetually enjoined, restrained, and forbidden from using in any manner as a trade-mark or trade-name, or as a

name designating any such swage or device, the words 'White Saw Swage,' 'Improved White Saw Swage,' or 'New Improved White Saw Swage,' or the word 'White,' with or without other words of designation; but the defendants, and each of them, may use his or her own name in carrying on or conducting the business of such defendant in the manufacture or sale of any swage which such defendant has a right to manufacture or sell, and may use such name, or any portion thereof, as the name, or as a portion of the name, of any firm or corporation with which such defendant may be associated in such business, and, if such be the fact, may advertise that the defendant Albert E. White is the inventor of the swage so manufactured or sold, provided that said defendants shall not use as such firm or corporation the words 'White Saw Swage,' 'Improved White Saw Swage,' or 'New Improved White Saw Swage,' nor any of said combination of words, either with the word 'Company' added or the word 'Saw' omitted, and said defendants shall not, by any artifice, use any other firm or corporate name in such manner as to be an advertisement of swages under the names herein prohibited."

The defendants appeal from that part of the judgment enjoining them from the use of the word "White" as a trade-mark, or in the description of saw swages manufactured and sold by them. * * *

The facts in the case are very largely undisputed. Upon the disputed propositions, we have quite carefully examined the evidence, and have found no reason to differ with the conclusions reached by the trial judge; hence the questions to be considered are purely questions of law, and they are four in number, *viz.*:
* * * (4) Should White be restrained from using the word "White" as a trade-mark, or from advertising and selling his third invention under the name "Improved White Swage," or a similar combination of words which include the word "White" as an essential element? * * *

4. The last question is not so much a question of trade-mark as of fair or unfair competition in trade. It is certain that the plaintiff had, at great expense and by efforts extending over a number of years, established a market and a reputation for the "White Saw Swage." It had for years used the names "White

Saw Swage," "New White Swage," and "Improved White Swage" in its advertising and its catalogues with the express approval of Mr. White, indicated over his own signature in the catalogue issued in 1905. Evidently he was willing and even desirous that the machines manufactured by the plaintiff under the first and second patents should become known to the trade and to the public generally as the "White Swage," the "New White Swage," and the "Improved White Swage."

It is unquestionably true that a man's name is his own property; and he has the right to every honest and fair use of it, just as he has to every honest and fair use of his other property. There may be cases, however, where he may be enjoined from using his own name in certain ways. The principle is very clearly stated in the case of *Russia Cement Company v. Le Page*, 147 Mass., 206, 17 N. E., 304, 9 Am. St. Rep., 733, as follows: "Every one has the absolute right to use his own name honestly in his own business for the purpose of advertising it, even though he may thereby incidentally interfere with and injure the business of another having the same name. In such case, the inconvenience or loss to which those having a common right to it are subjected is *damnum absque injuria*. But, although he may thus use his name, he can not resort to any artifice or do any act calculated to mislead the public as to the identity of the business firm or establishment, or of the article produced by them, and thus produce injury to the other beyond that which results from the similarity of name." *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S., 169, 16 Sup. Ct., 1002, 41 L. Ed., 118; *Herring, etc., Safe Co. v. Hall's Safe Co.*, 208 U. S., 554, 28 Sup. Ct., 350, 52 L. Ed., 616.

The name of a person may become so bound up with a particular product that the attaching of the name to a similar and later product would have the effect of a false representation that it was in fact the original product. The idea is thus expressed, with plentiful citation of authorities, in 38 Cyc., p. 811: "Where a personal name has become the trade-name for particular goods, another person of the same or similar name may not use such name as the trade-name for similar goods, or in such a way as to cause his goods to be known and called for in the market by the

same name as his rival's goods are already known to and called for by the purchasing public."

Such is the case here. The swages manufactured by the plaintiff have become favorably known to the trade and purchasing public by the name of the "White Swage," or the "Improved White Swage." Now, while Mr. White may rightfully manufacture and sell his newly invented swage, using his own name, he obviously ought not to be allowed to mislead the public into believing that it is the swage long manufactured by the plaintiff that he is selling.

This we understand to be the true meaning of the judgment on this branch of the case. Mr. White may use his own name in his business, either separately or as part of the name of a firm or corporation, and may advertise the fact that he is the inventor of the swage which he is selling. He may also advertise that he makes and sells a saw swage, an improved saw swage, or a new saw swage; for none of these words can be appropriated by any one—they are public. But he is debarred from advertising or designating his swage by such combinations of words as the "White," or the "White Saw Swage," or the "Improved White Saw Swage," because thereby he is likely to deceive customers, and lead them to suppose that he is making and selling the product long known to the trade, with White's knowledge and consent, under those or very similar names.

It is suggested that the case of *Fish Bros. Wagon Co. v. La Belle Wagon Works, et al.*, 82 Wis., 546, 52 N. W., 595, 16 L. R. A., 453, 33 Am. St. Rep., 72, holds a somewhat different doctrine. In that case, the defendants were permitted to use their own names, and even the rebus of a fish, although the plaintiffs had acquired, by purchase of their former business, the right to use those names and the rebus as a trade-mark. The question arose upon an application for a preliminary injunction, not after trial, and there were no facts showing that actual injury had resulted to the plaintiffs. This court held that the defendants could lawfully apply to the wagons made by them their names and the rebus, provided they did it in a way not calculated to induce persons to buy the same as and for those manufactured by the plaintiffs. It was further said: "Their advertisements

and marks must truthfully and in good faith refer to their own manufactures, trade, and business, and not to those of the plaintiffs." Thus the case recognized the principle that the names must not be used in a way to deceive the purchasing public. In that case, as before stated, there was no proof of actual deception or injury; but in the present case there is not only proof, but a finding to that effect; and hence we can not regard anything actually decided in that case as contrary to the principle decided in the present case. * * *

The judgment must be affirmed. It is so ordered. No costs are allowed to either party, except that the fees of the clerk of this court shall be taxed and paid by the appellants.

SIEBERT, KERWIN, and TIMLIN, JJ., dissent from that part of the decision which affirms the injunction below, prohibiting the use by defendant of his name.

NEW YORK SUPREME COURT

CRYSTALEID WATER CO. V. SCHULTZ.

Special Term, New York County, May 24, 1912.

UNFAIR COMPETITION—SHAPE OF BOTTLE.

There is no unfair competition in the use of a bottle similar in shape to that in use by another, where there is no similarity of labels or markings and where the design of the bottle was not original with the plaintiff. Courts should be cautious in imposing upon the public such inconvenience as would result from recognizing in any one claimant an exclusive right [for certain goods] to a receptacle that has come into common use.

William W. Cantwell, for plaintiff.

Theodore Hansen, for defendant.

GIEGERICH, J.—The plaintiff seeks to enjoin the defendant from the use of a certain form of bottle designated the "square bottle," and for damages for the defendant's past use of such bottle. Both the plaintiff and defendant sell bottled water. The plaintiff, or its predecessor in title to the business, since 1905, has been selling water contained in a bottle claimed to be of such distinctive shape and character that the plaintiff asserts and seeks to enforce an exclusive right to the use of such bottle. The com-

plaintiff alleges that the main purpose was to provide the public with a bottle that is convenient and useful. The evidence shows that the bottle is of such a character. It has rounded corners so that it is easy to clean, and is generally square, or at least rectangular, in shape, so as to pack conveniently for shipment, and is short enough to be contained in the ordinary refrigerator. In every respect it seems to be a bottle admirably suited to the use made of it by the plaintiff and the defendant. The plaintiff has failed, however, to establish that it or its assignor was the first one to use such a bottle. On the contrary, it is shown that bottles of substantially the same style of construction have been used for about twenty years, and that in the early days of its use the bottle was patented. It is true that the dimensions of the defendant's bottle are very similar to those of the plaintiff, but I do not think, in view of the other facts stated, that this circumstance shows any unfair trade competition. It is a matter of general knowledge that various bottles or jars used for certain common purposes, such as milk bottles, fruit jars and even the large water bottles containing four or five gallons and now in such common use, come to have a generally adopted form and size. The receptacle which is the most convenient and useful for the particular purpose comes to take the form and size it does for those very reasons, and it is manifest that courts should be cautious in imposing such a public inconvenience as would result from recognizing an exclusive right in any one claimant to receptacles that have thus come into use. In this case it does not seem to me that the public will be deceived and purchase the product of the defendant for that of the plaintiff. The defendant has employed a paper label on its bottle wholly different in shape and color and markings from that of the plaintiff. It has also caused to be blown into the sides of the bottle prominent and distinctive markings. It is true that the stoppers are the same, but they are stoppers in general use and peculiarly suited to the requirements of a water bottle. The complaint should be dismissed upon the merits, with costs to the defendant. Submit, with proof of service, requests for findings in accordance with these views.

COMMISSIONER OF PATENTS

EX PARTE, SIMS.

(179 O. G., 285.)

April 29, 1912.

1. GOODS OF THE SAME DESCRIPTIVE PROPERTIES.

Canned fish and canned salmon are goods of the same descriptive properties.

2. CONFLICTING MARKS.

A trade-mark consisting of the words "Harbor Light" in association with a marine scene, the prominent feature of which is the representation of a lighthouse is properly refused registration, in view of the prior registration of marks consisting, respectively, of the word "Harbor" and the words "Light House" associated with the picture of a lighthouse, applied to goods of the same descriptive properties.

Mr. H. A. Seymour, for the applicant.

MOORE, Commissioner.—This is an appeal from the refusal of the examiner of trade-marks to register as a trade-mark for canned salmon a mark consisting of the words "Harbor Light" in association with a marine scene the prominent feature of which is the representation of a lighthouse.

The refusal to register was based on the following registrations: Jed Frye & Co., January 27, 1903, No. 39,672; Rosenstein Brothers, December 22, 1903, No. 41,718; Jed. Frye & Co., December 24, 1907, No. 66,679; Rosenstein Brothers, Inc., January 21, 1908, No. 67,195.

The mark of Jed Frye & Co. consists of the word "Harbor." The goods upon which it is used are canned fish. The mark of Rosenstein Bros. consists of the words "Light House" and the picture of a lighthouse. The goods are stated to be dried, pickled, or otherwise-preserved fish.

It is contended that applicant's goods are not of the same descriptive properties as that of the registrants and that his mark does not so nearly resemble theirs that their simultaneous use would be liable to cause confusion.

Under the rulings of the court of appeals of the district of Columbia, canned fish and canned salmon are goods of the same descriptive properties. In the case of *John Braadland, Ltd.* (174 O. G., 1029), in considering whether a mark consisting of the

picture of a bear and the words "Teddy Bear Brand" was registrable as a trade-mark for sardines, the court said:

Registration was refused in view of certain existing registered marks, the most prominent one which will be sufficient for this case, being that of the Northwestern Fisheries Company. Its mark consists of the picture of a bear having one foot resting upon a fish, the same being surrounded by ornamental scrolls and surmounted by the words "Pioneer Fishery." It appears that the latter mark has only been used on canned salmon, but the registration includes all kinds of canned fish. The mark could therefore at any time in the future be based upon canned sardines. The fact that the mark has not been used on sardines will not prohibit the owner from so using it at any time. Non-use will not deprive the owner of the protection of the courts.

The fact that applicant's place of business is on the Pacific slope, while the registrants are located in New York, is believed to be immaterial.

In my opinion the examiner of trade-marks was right in holding that applicant's mark so nearly resembles that of the registrants as to be likely to cause confusion in the mind of the public. As stated above, the mark of Jed Frye & Co. consists of the word "Harbor." Obviously the words "Harbor Light" could not be registered in view of the prior registration of the word "Harbor," and the fact that these words are associated with a marine scene including the representation of a lighthouse does not obviate the liability of confusion. The mark of Rosenstein Bros. includes the representation of a lighthouse and the words "Light House," and since applicant's mark includes the representation of a lighthouse the liability of confusion is obvious.

The decision of the examiner of trade-marks is affirmed.

BURTON MEDICINE CO. v. UNITED DRUG CO.

(179 O. G., 288.)

May 10, 1912.

TRADE-MARKS—OPPOSITION—CROSS BILL NOT PERMISSIBLE.

Where an opposition to the registration of a trade-mark is filed by a registrant, a cross bill asking for the cancellation of the opposer's registration will not be admitted.

*Messrs. Small & Small and Messrs. McReynolds & Hay, for
the Burton Medicine Co.*

Mr. Edw. C. Davidson and Messrs. Emery, Booth, Janney & Varney, for the United Drug Co.

TENNANT, Assistant Commissioner.—This is an appeal by the United Drug Co. from the refusal of the examiner of interferences to admit a cross bill filed by it which seeks the cancellation of a registration of a trade-mark to the Burton Medicine Co.

The present proceeding is an opposition instituted by the Burton Medicine Co. to the registration of the word "Rexall" as a trade-mark for certain pharmaceutical preparations, application for which has been made by the United Drug Co., and the opposition refers to a trade-mark "Rex Oil," owned by the Burton Medicine Co., which is registered in this office. It is this registration that the United Drug Co. seeks to have cancelled by the proposed cross bill.

It is urged that there is nothing in the statutes authorizing the institution of opposition and cancellation proceedings which necessitates the consideration of these questions in separate proceedings and that the rules of the office which deal at all with the procedure treat them together and indicate that the usual equity practice should be followed as far as possible in such proceedings.

Assuming, without deciding, that there is nothing in the statute or rules to prohibit a consideration of an opposition to registration and an application for cancellation of a registration of the opposer in a single proceeding, I am, nevertheless, of the opinion that the issue raised by the application for cancellation is a distinct issue and not, in this instance at least, germane to the subject-matter of the proceeding in opposition to the registration of the trade-mark by the United Drug Co.

The filing of a cross bill is not permitted in equity practice unless it relates to the same subject-matter as the original bill:

A cross bill may and usually does introduce new facts and new issues not disclosed by the original bill; but such new facts and issues must relate to the subject-matter of the original, and must be so closely connected therewith as to constitute the cross-bill a mere auxiliary of the original or a dependency thereon. It must not set up matter which is not germane to the matter of the original bill. Questions which are entirely distinct from those presented in the original bill can not be introduced by a cross-bill, although such questions be connected with the subject-matter of the

original bill; nor can a new subject-matter be introduced, although the controversy with relation thereto and that with relation to the subject-matter of the original bill arise out of the same transaction. A cross bill will of course not lie to litigate a question open only to a direct proceeding for the purpose involved. (16 Cyc., 331.)

In the case of *Stonometz Printers' Machinery Co. v. Brown Folding-Mach. Co.* (46 Fed. Rep., 851), suit was brought under Section 4918 of the Revised Statutes alleging interference between the complainant's and the defendant's patents and also alleging infringement of the complainant's patent by the defendant. The defendant sought to file a cross bill alleging infringement of the defendant's patent by the complainant. In discussing this question the court said:

A cross-bill *ex vi terminorum* implies a bill brought by a defendant against the plaintiff in the same suit, or against other defendants in the same suit, or against both, touching the matter in question in the original bill. (Story, Eq. Pl., sec. 389.) It is brought either to obtain a discovery of facts in aid of the defense to the original bill, or to obtain full and complete relief to all parties as to the matter charged in the original bill. It should not introduce new and distinct matters not embraced in the original bill, as they can not be properly examined in that suit, but constitute the subject-matter of an original independent suit. The cross-bill is auxiliary to the proceeding in the original suit, and a dependency upon it. It is said by Lord Hardwicke that both the original and cross-bill constitute but one suit, so intimately are they connected together. (*Ayres v. Carver*, 17 How., 591; *Cross v. De l'alle*, 1 Wall., 1.) It should not introduce any distinct matter. It is auxiliary to the original suit, and a graft and dependency upon it. If its purpose be different from this, it is not a cross-bill, though it may have a connection with the same general subject.

* * * *

The cross-bill does not seek to defeat plaintiff's causes of action, and the matters alleged in it are not essential to the complete disposition of plaintiff's case, or of defendant's rights in relation to the plaintiff's causes of action.

The object of the opposition filed by the Burton Medicine Co., which corresponds to the original bill, in the present instance is to prevent the registration of a certain mark to the United Drug Co.

The object of the proposed cross bill is to secure cancellation of the registration of a different mark, ownership of which is claimed by the Burton Medicine Company.

It is true that the opposition mentions the registration which it is sought to cancel by the cross bill; but the rights attacked by the original and the cross bills are wholly distinct, and it

might well be that the opposition could be sustained in the absence of the registration which it is sought to cancel or that the registration could be cancelled even though the opposition to the registration of the United Drug Company were sustained.

It must be held, therefore, that the question raised by the proposed cross bill is not germane to the issue raised by the opposition proceeding. The cases cited by appellant in which cross bills have been permitted have been duly considered; but it is believed that they bear less analogy to the present case than that above cited.

The testimony in this case on the issue raised by the opposition has all been taken, and to permit the filing of the cross bill would inject a new issue into the proceeding, which would in all probability require a reopening of the case for the taking of further testimony. This is an additional reason for denying the petition in the present instance.

The decision of the examiner of interferences is believed to be right and is affirmed.

DIGEST OF MANUSCRIPT DECISIONS

Same Description of Goods.

Canned fruits and vegetables are goods of the same descriptive properties with pickles. They are sold by the same tradesmen and displayed on the same shelves and the customer seeing them under the same trade-mark would naturally assume that they were the product of one manufacturer.

Citing, *Walter Baker & Co., Ltd., v. Harrison*, 138 O. G., 770; *Phoenix Paint & Varnish Co. v. Lewis & Bro.*, 139 O. G., 990. (1)

Sawing machines in which saw blades are used are of the same descriptive properties with "saws of all kinds." The purchaser seeing the same mark upon each would naturally assume that the blades and the machines were made by one manufacturer. (2)

(1) *Kidd v. Reiter & Co.*, March 6, 1911.

(2) *Ex parte, Crescent Machine Co.*, May 21, 1911.

Opposition Proceedings.

A notice of opposition filed within thirty days after publication of the mark in the official gazette signed by an attorney authorized to practice before the patent office and subsequently and within a reasonable time, verified by an officer of the opponent company and accompanied by a power of attorney simultaneously executed, giving to the attorney by whom the opposition was signed power to file an opposition to the application in question and ratifying the act of the attorney in so doing, is properly filed. The notice of opposition need not allege the authority of the attorney to act in such a case. The office will assume such authority on the part of any attorney admitted to practice there. A notice of opposition thus filed is not demurrable because it fails to allege the authority of the attorney to file it. If the opponent were required to give a power of attorney to oppose the particular registration, he can as well sign the notice of opposition himself. To require such a power would be to defeat the provisions of the amendment giving the attorney authority to do so. (Citing, *Welcome v. Baum*, 135 O. G., 895.)

The allegation that the opponent has made use of the mark claimed since a date prior to the applicant's use thereof, is enough to show damage without an allegation that the opponent was the first to adopt and use the mark. (Citing, *Battle Creek Sanitarium Co., Ltd., v. Fuller*, 134 O. G., 1229; *Underwood Typewriter Co. v. A. B. Dick Co.*, Rep., Vol. I, p. 35.) ⁽¹⁾

An importer of goods under a foreign trade-mark has a standing to oppose the registration of the mark by another since if the application for registration were granted, the registrant might file the mark in the custom house, under Section 27 of the trade-mark law and prevent the importation of the goods. This fact is sufficient to give the importer an interest in the subject-matter that will support an opposition. It is enough that the notice of opposition alleges the importation of brushes bought from the Imperial Brush Factory since the year 1891 under the mark in question. It is not necessary to allege that the mark is

(1) *Imperial Brush Factory v. George Borgfeldt & Co.*, February 20, 1911.

the property of the Imperial Brush Factory and a demurrer will not lie for the absence of such an allegation. ⁽¹⁾

[The application to which the opposition was filed in this case was the same as that opposed in the case last above cited. Taking these two cases together, it appears that not only the owner of a trade-mark sought to be appropriated, but also one who imports goods under that mark may oppose the registration of the mark in the patent office by another.]

A demurrer may be interposed as a matter of right to an amended notice of opposition before an answer or plea is interposed and such a demurrer should be considered on the merits and should not be overruled for the alleged reason that all the grounds urged might and should have been urged against the original notice of opposition upon the demurrer which was interposed to such notice and sustained. ⁽²⁾

A notice of opposition once filed can not be dismissed without prejudice on motion of the opponent and against the objection of the applicant, but must proceed to judgment and the matter be finally disposed of. Otherwise should it be necessary to republish the mark, a new notice of opposition might be filed and the applicant be again put to the trouble and annoyance of defending his right to the mark. ⁽³⁾

A formal withdrawal of a notice of opposition accompanied by a formal abandonment of his application by the applicant may be allowed and the proceeding thereby terminated. ⁽⁴⁾

Ground for Cancellation.

An application to cancel the trade-mark "Autolene" on the ground that the registrant permits the use of the mark by others in fraud upon the public is not sustained by proof that the mark is used by a subsidiary distributing company of the registrant. ⁽⁵⁾

- (1) Arai & Briesen v. George Borgfeldt & Co., February 20, 1911.
- (2) La Grange Mills v. Daniels & Pickering Co., February 10, 1911.
- (3) Cravennette Co. v. Rogers & Thompson, July 14, 1911.
- (4) Sheffield Cutlery Co. v. Sheffield Car Co., July 20, 1911.
- (5) Crescent Oil Co. v. Robinson, June 15, 1911.

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No. 7

UNITED STATES CIRCUIT COURT OF APPEALS

J. F. ROWLEY CO. v. ROWLEY.

(193 Fed. Rep., 390.)

Third Circuit, February 17, 1912.

1. UNFAIR COMPETITION—ACCOUNTING OF PROFITS.

On an accounting of the profits derived from unfair competition, where the wrong consists in the use of a trade-mark in fraud of complainant's rights, he should recover all profits realized by the defendant from the sale of articles under the infringing mark. Where, however, the wrong arises from the manner of the use of a feature in the marking of goods, which the defendant may rightly use, provided he uses it fairly, only those profits are recoverable which can be shown to have been dependent upon the fraud practiced by the defendant.

2. UNFAIR COMPETITION—ACCOUNTING OF PROFITS.

Courts will refrain from ordering an accounting of profits in a suit for unfair competition, where an injunction will satisfy the substantial equities of the case.

Appeal from decree entered on report of master on an accounting. For decision below on final hearing and on appeal from the interlocutory decree, see 154 Fed. Rep., 744; 161 Fed. Rep., 94. For decision on appeal from the decree as reformed, see 171 Fed. Rep., 413.

Frank Ewing, for appellant.

J. H. Roney, for appellee.

Before GRAY, Circuit Judge, and BRADFORD and YOUNG, District Judges.

GRAY, Circuit Judge.—This is an appeal from a decree entered by the circuit court for the western district of Pennsylvania, overruling exceptions to a master's report on an accounting, and confirming said report.

A suit in equity was brought in the court below by the appellant, alleging unfair competition by the appellee in the use of the name "Rowley" in the manufacture of artificial legs, the name "Rowley" being also the surname of the appellee. After hearing, the court granted an injunction, restraining the appellee from the use of the name "Rowley" in any manner in connection with the sale and manufacture of artificial legs. From this decree an appeal was taken to this court, and by it the case was remanded to the court below, with instructions to modify the decree, so as not to absolutely prohibit the use of the name "Rowley," but allowing the use of that name with initials, provided that an explanation was attached thereto. 161 Fed., 94, 88 C. C. A., 258. In conformity to this instruction, the court below reformed its decree by granting a perpetual injunction—

"against the defendant, his agents, employés, servants or by any one acting on his behalf, restraining him and them from making and selling any artificial limbs in imitation of the goods made and sold by the plaintiff, in which the dress, covering, or appearance is such that it would likely deceive the public or prospective purchasers; from mailing letters or circulars such as would deceive the ordinary purchasers into believing that the defendant's goods were the plaintiff's goods; from the use of the name 'Rowley' without initials in any manner whatsoever in the manufacture or sale of artificial limbs; from the use of the name 'Rowley' with initials in any manner whatsoever in the manufacture and sale of artificial limbs, unless in each and every instance in which the name is so used, it is accompanied by explanatory words sufficient to clearly distinguish the goods manufactured from the goods of the complainant. And it is further ordered, adjudged and decreed that the plaintiff recover from the said defendant the damages sustained in or by reason of unfair competition, and also profits gained and savings made or realized by the defendant, by reason of unfair competition so practiced, and that this cause be referred to H. D. Gamble, master, to take, state and report an account of damages and profits under and in accordance with this decree. And it is ordered that the costs of the case, including the costs of accounting, be divided between the parties."

From this decree the appellant, as defendant below, again took an appeal to this court, complaining that the court below,

in making the decree, had not conformed to the letter or spirit of the former decision of this court. This court, however, being of opinion that the court below in its decree had conformed to both the letter and spirit of the instructions given by this court, in remanding the case, affirmed the said decree as entered. 171 Fed., 415, 96 C. C. A., 371.

In accordance with the decree thus affirmed, that the plaintiff recover from the said defendant the damages sustained in or by reason of said competition, and also the profits and savings made or realized by the defendant, by reason of unfair competition, reference was made to a master to take, state and report damages and profits in accordance with the decree. The matter then went before the master, and evidence was taken upon the question of an accounting of damages and profits. The master, among other things, reported:

"Complainant has not offered any proof upon this accounting to show that any one purchased artificial legs from the respondent, supposing them to be the goods of the complainant, or that any sales were lost to complainant by reason of the alleged unfair competition of respondent, other than might appear in the original record."

He therefore finds and so reports, as follows:

"Upon the whole case, the master is unable to find such evidence of misrepresentation, deception or unfair competition as would justify other than nominal damages, and therefore awards damages in the sum of one dollar."

Exceptions were filed to the master's report, and after hearing the same, the court below sustained the findings of the master and entered a decree accordingly. From this decree the present appeal is taken.

The general rule undoubtedly is that, on such a reference in a case of unfair competition, it is the duty of the master to fairly take an account of profits realized by the defendant upon all articles or goods manufactured or sold by him under the conditions of unfair competition, as established by the decree of the court. Where the unfair competition consists in the use of a trade-mark in fraud of complainant's rights, affixed to or covering articles or packages sold by the defendant, complainant is entitled, by way of damages and compensation for the wrong

inflicted upon him, to the whole profits realized by the defendant from the sale of articles under color of the infringing trade-mark. As it is generally impossible to discriminate between sales made by reason of the deception worked by the infringing trade-mark and those not so made, courts have required that the whole profits should go to the complainant. The infringer in such cases has no ground of complaint that he is thus suffering the consequences of his own wrong. Where, however, as in this case, the unfair competition consisted in the use of the defendant's own name, "Rowley," upon letter heads and advertising circulars, in such manner as would make it likely to give the impression that the defendant was the original manufacturer of the "Rowley" leg, there is not the same reason for supposing that each article is sold by reason of unfair competition, as in the cases where trade-marks proper are affixed to each article offered for sale.

Courts will refrain from ordering an account of profits where an injunction will satisfy the substantial equities of the case. Where, however, an accounting of profits has been ordered, the master, in executing the reference under such an order, should conform to the general rule as above stated. His duties are ministerial and not judicial. In the present case, the master has taken a different view of the duty imposed upon him by the order of reference, and held that no profits should be taken into the account, except upon those sales which the complainant was able to show had been effected by reason of the deception practiced by the defendant.

If the general rule as to an accounting for profits was thought to bear hardly upon the defendant, application should have been made to the court upon a proper showing for a modification of its decree in this respect. The court below has, however, overruled the exceptions to the master's report and has thus practically amended its own decree.

As we are of opinion that the injunction decreed by the court below satisfied the equities of the case, and does justice between the parties, and gives the complainant, under the circumstances, all the relief to which he is entitled, we abstain from

interfering with the action of the court below and affirm the order appealed from.

DIEDERICH V. W. SCHNEIDER WHOLESALE WINE & LIQUOR CO.

(195 Fed. Rep., 35.)

Eighth Circuit, March 22, 1912.

1. REGISTERED TRADE-MARK—INFRINGEMENT.

A mark registered in the patent office is not infringed upon, in the statutory sense of the term, by the application thereof to a sign, displayed by a rival on the outside of his place of business. A trade-mark is a mark affixed to an article of merchandise and only a mark similarly affixed can be an infringement thereof.

2. UNFAIR COMPETITION—USE OF A TRADE-MARK ON A SIGN.

The use of the registered trade-mark of another on a sign displayed outside one's place of business may be unfair competition against the owner of the mark.

3. UNFAIR COMPETITION—JURISDICTION.

A federal court has no jurisdiction of an action for unfair competition between citizens of the same state.

Appeal from an order of the circuit court for the eastern district of Missouri, granting a preliminary injunction.

James A. Carr (*Charles F. Krone*, on the brief), for appellant.

James L. Hopkins (*Alphonso Howe*, on the brief), for appellee.

Before SANBORN and ADAMS, Circuit Judges, and WM. H. MUNGER, District Judge.

WM. H. MUNGER, District Judge. This suit was brought by appellee, as complainant, to enjoin the infringement of a trade-mark. From the granting of a temporary order of injunction, Diederich, the defendant, has appealed to this court.

It appears that the Schneider & Wholesale Wine & Liquor Company has a registered trade-mark, consisting of the arbitrary numbers "905," applied to whiskies; that the defendant, who was formerly a stockholder and officer in the Schneider Company, having disposed of his interest therein, engaged in the saloon business by himself, and placed upon the front of his saloon, or saloons, the following signs:

"A. Diederich,
The Originator of
905."
"Kay-Dee-Liquor Co.
A. Diederich
The Originator
of 905
Mgr."
"A. Diederich,
905
The Originator of"

The bill contained an allegation as follows:

"That the defendant is engaged in interstate commerce, and has sold and shipped merchandise, sold by him by reason of said deceptive use of your orator's trade-mark, to customers residing in the State of Illinois and elsewhere."

This allegation does not allege that the merchandise which he sold to customers residing in the state of Illinois had placed thereon, or upon the wrapper, or in any way connected with such merchandise, the trade-mark "905," and there is nothing in the proofs to that effect.

In what are designated as the "Trade-Mark Cases," 100 U. S. 82, 25 L. Ed., 550, it was held that congress only possessed power to grant a trade-mark for use in commerce among the states, foreign nations and Indian tribes.

The act of 1905 (33 Stat., 724), first section, is in part as follows:

"That the owner of a trade-mark used in commerce with foreign nations, or among the several states, or with Indian tribes, provided such owner shall be domiciled within the territory of the United States, or resides in or is located in any foreign country which, by treaty, convention or law, affords similar privileges to the citizens of the United States, may obtain registration of such trade-mark by complying with the followinig requirements: First, by filing in the Patent Office an application therefor in writing, addressed to the Commissioner of Patents, signed by the applicant, specifying his name, domicile and citizenship, the class of merchandise and the particular description of goods comprised in such class to which the trade-mark is appropriated; a description of the trade-mark itself, and a statement of the mode in which the same is applied and affixed to goods", etc.

It will be observed that this section contemplates that the trade-mark is to be affixed to the goods which are used in the commerce specified, as it requires the applicant in his application for a trade-mark, to give not only a description of the

trade-mark itself but "a statement of the mode in which the same is applied and affixed to goods."

Section 16 of the enactment provides:

"Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several states, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof," etc.

Complainant bases its right to an injunction upon the fact that the signs above mentioned, placed upon the buildings in which he conducted his saloons, were an infringement of its trade-mark. The inquiry then naturally presents itself whether complainant has a trade-mark in a sign placed upon a building, simply indicating that goods of a certain character were sold at that place.

In 28 Am. & Eng. Enc. of Law (2d Ed.), p. 352, it is said:

"It is essential to the validity of a trade-mark as such that there shall be some actual, physical connection between the goods and the mark, so that the mark goes with the goods into the market. Words, marks, or symbols, used in advertisements, circulars, and other similar ways, but not actually affixed to the goods, are not valid, technical trade-marks. It is sufficient if the mark is affixed either upon the goods themselves or upon the box or wrapper containing them, or in some other way physically attached to the goods. Words not actually affixed to the goods frequently constitute trade-names, and are protected as such against unfair competition."

In *Hazelton Boiler Co. v. Hazelton Tripod Boiler Co.*, 142 Ill., 494, 30 N. E., 339, it was said:

"A trade-mark owes its existence to the fact that it is actually affixed to a vendable commodity."

In *Oakes v. St. Louis Candy Co.*, 146 Mo., 391, 48 S. W., 467, it is said:

"A trade-mark which is not in some manner attached or affixed or stamped on the article indicated by it involves a contradiction in itself, the idea of some distinctive brand or mark being inherent in the expression itself. An article can only be said to be distinguished by a trade-mark when that mark is connected with, annexed to, or stamped, printed, carved, or engraved upon, the article as it is offered for sale."

In *Lawrence Mfg. Co. v. Tenn. Mfg. Co.*, 138 U. S., 537, 11 Sup. Ct., 396, 34 L. Ed., 997, it was held that a trade-mark, to be valid, must be such as to indicate origin, manufacture or ownership; that, if used to denote simply class, grade, style, or quality of the articles, it could not be upheld as technically a trade-mark. *Macmahan Pharmacal Co. v. Denver Chemical Mfg. Co.*, 113 Fed., 468, 51 C. C. A., 302.

And in *Ryder v. Holt*, 128 U. S., 525, 9 Sup. Ct., 145, 32 L. Ed., 529, it was held that, in a case where the bill did not allege that the trade-mark was used on goods intended to be transported to a foreign country, the federal court had no jurisdiction.

We think it clear, from the foregoing authorities, that a trade-mark is only valid when attached to the article or wrapper, or in some manner physically connected with the article itself. Such being the case, it is very clear that complainant could have no trade-mark in a sign, placed upon a building, containing the figures "905," and if complainant had no trade-mark in such a sign upon a building, because the validity of the trade-mark owes its existence to the fact that it is in some manner attached to the article of commerce itself, we are unable to perceive how it can be said that such a sign placed by defendant upon the building in which he transacted his business was an infringement of complainant's trade-mark.

It is a self-evident proposition that what is not and can not be a trade-mark is not and can not be infringed as a trade-mark.

It is true that the foregoing authorities were decided during the existence of the act of March 3, 1881 (Act March 3, 1881, c. 138, 21 Stat., 502 [U. S. Comp. St. 1901, p. 3401]), but the first section of that act is in substantially the same language as the act of 1905. It requires an applicant to file in the patent office "a statement of the mode in which the same is applied and affixed to goods."

Section 16 of the act of 1905, above quoted, is somewhat broader than Section 7 of the act of March 3, 1881, relating to the same matter, in that the act of 1905 renders a person liable who affixes such registered trade-mark, without the consent of

the owner, to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise, etc.

Stress is placed, in the argument of counsel, upon the meaning of the word "signs." The word "sign" must be understood to have been used for the purpose of protecting simply what the owner has by virtue of his trade-mark. The word "sign" has various meanings. I find in a copy of the Standard Dictionary before me that the word, when used as a noun, has the following definitions:

"(1) A pantomimic gesture. (2) An inscription or representation to indicate a place of business. (3) An arbitrary mark; symbol. (4) A token; emblem."

As complainant acquired a right to the trade-mark only as it was affixed in some manner to the article which it sold in commerce among the states, foreign countries, and Indian tribes, it is evident that the term "sign" was used to indicate a mark, symbol, token, or emblem, which was affixed in some manner to the article sold.

It is quite probable that complainant states, in its bill, a cause of action against defendant for unfair trade. That question, however, we can not pass upon. The parties being citizens of the same state, the court below had no jurisdiction to determine that question. *Hutchinson, Pierce & Co. v. Loewy*, 217 U. S., 457, 30 Sup. Ct., 613, 54 L. Ed., 838.

As the alleged act of defendant was no infringement upon complainant's trade-mark, the order granting an injunction was erroneous, and is consequently reversed.

SANBORN, Circuit Judge (dissenting).—The sale on which this injunction is founded was made in Missouri under a contract to deliver the whisky in Illinois, the whisky was so delivered pursuant to the contract, and the sale was induced by the defendant's use on a sign and print upon the front wall of his dramshop in which the sale was made, of the plaintiff's trade-mark "905," which had been recorded under Act Feb. 20, 1905, 33 Stat., c. 592, §§ 1, 16, pp. 724, 728. This sale and delivery constituted interstate commerce, the plaintiff's trade-mark which induced it was used in commerce among the states, and the case

falls within the literal terms of the act of congress. *Cooper Mfg. Co. v. Ferguson*, 113 U. S., 727, 5 Sup. Ct., 739, 28 L. Ed., 1137; *Butler Bros. Shoe Company v. United States Rubber Co.*, 156 Fed., 1, 8, 84 C. C. A., 167, 174, and cases there cited. There can be no doubt that this use of the plaintiff's mark by the defendant constituted unfair and unlawful trade as the majority suggest, and it seems to me that it also presented a cause of action for an infringement of the plaintiff's trade-mark under the act of 1905.

The question here is not whether or not it was essential to the validity of the plaintiff's arbitrary distinctive trade-mark "905" that the plaintiff should have affixed this mark to and should have used it upon merchandise, but it is whether or not after it had so affixed it, used it, secured it, and registered it the defendant infringed that trade-mark by placing it upon the front wall of his dramshop for the purpose of inducing purchasers to buy his whisky when in the law the trade-mark and its use were the property of the plaintiff. The complainant averred in its bill that it applied its trade-mark "905" continuously and without interruption "to the packages containing its merchandise by branding, stencilling, or printing the same upon barrels and labels and corks used in packing liquors for sale," and that it also used it upon buildings to mark the places where such whiskies could be obtained. There is no answer in the record to this averment, and it must be taken as true. The provision of the first sections of the acts of 1881 (21 Stat., c. 138, p. 503) and 1905 (33 Stat., 724), cited by the majority, to the effect that the applicant for registration shall file a statement of his trade-mark and "the mode in which the same is applied and affixed to goods" may condition the registration and perhaps the existence of a trade-mark that may be registered, but it in no manner prescribes or limits the acts which constitute the infringement of such a trade-mark after it has been secured and established. Those acts are prescribed and determined by other sections of the acts of congress, by Section 7 of the act of 1881 and Section 16 of the act of 1905. The record in this case, therefore, as the writer understands it, conclusively shows that the plaintiff had a trade-mark in the arbitrary symbol "905" which it had applied

to merchandise used in interstate commerce and registered, and which it had also used on buildings in which it sold its merchandise. Let us now turn to the real question in the case, to which it seems to me the requirement of the first sections of the acts to the effect that the applicant for registration shall state the mode in which his trade-mark is applied or affixed to goods is immaterial. That question is, Does the use of a trade-mark by another than the owner on the front wall of a dram-shop, or elsewhere, without affixing it to the merchandise sold or to the packages which contain it raise a cause of action in favor of the owner under the act of February 20, 1905?

There can be doubt that congress had the power to give such a cause of action. Nor can there be any doubt that such a use of a counterfeit of a recorded trade-mark to sell the counterfeiter's goods for those of the owner of the trade-mark as completely contravenes the purpose of the act as the use of the counterfeit on the packages which go with the goods to the purchaser. When the congress enacted the legislation now in question, it was not without experience in the operation of a similar act. It had provided by Act March 3, 1881, 21 Stat., c. 138, § 7, p. 503, for the registration of such trade-marks, and that:

"Any person who shall reproduce, counterfeit, copy or colorably imitate any trade-mark registered under this act and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable on the case for damages for the wrongful use of said trade-mark at the suit of the owner thereof."

After the enactment of this statute the courts held in the cases cited by the majority that, in order to constitute an infringement, the trade-mark of the owner must be affixed to the goods or to the packages of the alleged infringer which went with them to the purchasers. Subsequent to all these decisions congress passed the acts of 1905, and, after providing therein for the registration of a trade-mark by the owner in substantially the same words as in the act of 1881, it enacted that:

"Any person who shall without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, *or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descrip-*

*tive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation. * * * in commerce among the several states, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof."*

It is indisputable that the words the writer has italicized in the last quotation were added in the act of 1905 to those used in the act of 1881 for the purpose, and that they must, under familiar rules of construction, have the effect to make actionable other uses of counterfeit trade-marks by infringers than their use affixed to goods similar to the goods of the owner. Under the old act, the use of these counterfeit trade-marks by infringers was made actionable only when they affixed them to the goods. Under the act of 1905 their use affixed to the goods was made actionable by the same words used in the act of 1881, and in addition their use on "labels, signs, prints, packages, wrappers, or receptacles intended to be used upon, or in connection with the sale of, merchandise." Note that not only was the use of such counterfeit trade-marks on labels, signs, prints, packages, wrappers, or receptacles made actionable when they were "intended to be used upon," but also when they were "intended to be used in connection with the sale of" merchandise similar to that of the owner of the trade-mark. A copy of the trade-mark of the plaintiff was by the defendant affixed to, nay, it was a sign and a print. It was intended by him to be used, and it was used by him, in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in the plaintiff's registration. I am of the opinion that such a use fell within the specific terms of the act and that it as effectually defeated the purpose of the act as a use of it by affixing it to specific merchandise would have done.

I agree with the court below that the complainant was entitled to its injunction.

HAZLETT V. POLLACK STOGIE CO., *et al.*

(195 Fed. Rep., 28.)

Third Circuit, March 28, 1912.

- I. UNFAIR COMPETITION—DEFENCES—COMPLAINANT'S MISREPRESENTATIONS.
The misleading use of a trade-name in such manner as to deceive

the purchasing public with respect to the origin or manufacture of the goods is such fraud as will deprive the owner of the trade-name of the right to relief in equity against an infringement.

2. COMPLAINANT'S MISREPRESENTATIONS—IDENTITY OF MAKER.

The retention and use of the name of a deceased owner of the business, the issuance of advertising matter over what purports to be his signature, and other simulations of the personality of the deceased, under whom the good will of the business was created, are such fraudulent misrepresentations as will bar relief against one who trespasses upon that good will.

Appeal from decree of the circuit court for the western district of Pennsylvania, dismissing the bill of complaint. For opinion below, see 188 Fed. Rep., 494; Reporter, Vol. I, p. 229.

Thomas S. Brown (*Brown & Stewart*, on the brief), for appellant.

Frank F. Reed (*Edward S. Rogers*, on the brief), for appellees.

Before GRAY, Circuit Judge, and BRADFORD and J. B. McPHERSON, District Judges.

BRADFORD, District Judge.—This is an appeal from a final decree of the circuit court of the United States for the western district of Pennsylvania, dismissing a bill in equity, brought by Howard Hazlett, administrator of Augustus Pollack, deceased, against the Pollack Stogie Company of Pittsburg, Pa., a corporation of Pennsylvania, and C. G. Kiskaddon, M. W. DeWaters, John Benz, Joseph Pollack, stockholders, directors and officers of said corporation, and Joseph Raubitschek; Rudolph Raubitschek and Edward Raubitschek, partners doing business under the firm name of Raubitschek Brothers, alleging unfair competition in trade and infringement of trade-marks on the part of the defendants and praying for an account and injunctive relief. The court below being of opinion upon the proofs that, while the defendants had clearly violated the rights of the complainant, the latter had not come into court with clean hands, decreed the dismissal of the bill, but without costs to the defendants, the respective parties to pay their own costs. It appears that during a period of many years prior to his death in 1906 Augustus Pollack had been engaged in the manufacture and sale of a species of cigars known as stogies, and had established an extensive and lucrative trade

in that line. Such was the excellence of his product that in connection with sundry marks, labels, printed statements and other forms of dress used in the conduct of his business, his stogies became so associated in the public mind with his name as to be generally known as "Pollacks." The learned judge below said, "the personality of Pollack was a factor in the creation and the retention of the trade good will which his product enjoyed"; and this certainly was true in the sense that his known connection with the manufacture of storgies largely accounted for the good will which attached to his business. Owing to the defective execution of his intended will Augustus Pollack died intestate, and letters of administration on his estate were granted to Howard Hazlett, who by agreement of the widow and children of the decedent continued the business, established by him. That the complainant in the conduct of this business, after the death of Augustus Pollack, pursued a course calculated, if not intended, to mislead the public into the belief that the decedent was still living and engaged in its active management, clearly appears from the evidence. For years after the death of Augustus Pollack and both before and since the commencement of this suit the complainant made use of a circular letter which was placed in each box of stogies sent out from the factory. The letter is dated Wheeling, W. Va., has a circular trade-mark at its head bearing the name "Augustus Pollack," and is addressed "To the Trade, Consumers and Public." It bears a facsimile of Augustus Pollack's signature. The body of the letter is as follows:

"Gentlemen:

"The Crown Stogies Cigars, originated and manufactured by Augustus Pollack of Wheeling, W. Va. U. S. A. distinguished by national recognition for *perfect purity, absolute naturalness and uniform excellence*, have achieved their rank and fame by the cultivation under most trying circumstances, *during more than a generation*, of an unceasing devotion to ideal industrial integrity, loyalty to fair wages, elevating conditions of labor and highest standard of expert workmanship by the undersigned. The maker of the Crowns honored by the eloquent testimonials from distinguished sources in different sections of our country, conveying the popular impressions created by 'The Pollack Crown Stogies,' gratefully acknowledges his indebtedness to American encouragement, and requesting a continuance of approval and favorable consideration, avails himself on this occasion to tender his assurance of appreciation and high esteem.

Yours truly,

AUGUSTUS POLLACK."

At the foot of the letter was the statement that "The grades of the Crowns under protection of U. S. Patent Office Registration and Guarantee of Augustus Pollack" consisted of those shown in a list of patent office trade-mark registrations, therein set forth. This statement was misleading to purchasers, for the registrations were obtained, not by Augustus Pollack, but after his death by the complainant, and the use of the words, "Guarantee of Augustus Pollack" in that connection was deceptive, to say the least. But this circular letter carried on its face by necessary implication an averment that Augustus Pollack was still living. No other interpretation can be put upon the clause:

"The maker of the Crowns, honored by the eloquent testimonials from distinguished sources in different sections of our country, conveying the popular impressions created by 'The Pollack Crown Stogies,' gratefully acknowledges his indebtedness to American encouragement, and requesting a continuance of approval and favorable consideration, avails himself of this occasion to tender his assurance of appreciation and high esteem.
Yours truly, AUGUSTUS POLLACK."

It appears from the testimony of the complainant that the circular letter above quoted was used before the death of Augustus Pollack, and it also appears that the latest date on that letter is 1910. But whether it was used in the lifetime of the decedent is in our view immaterial, for after his death its continued use by the complainant without explanation amounted to a false representation that such death had not occurred and that purchasers would obtain the product, not of the complainant, but of Augustus Pollack. And this misrepresentation was accentuated by the insertion in the circular letter of a date years after Augustus Pollack had died. That the identification of Augustus Pollack in the public mind with the continued manufacture and sale of crown stogies cigars was considered by the complainant as an important factor in securing custom there can be no question; for it is stated that, manufactured by Augustus Pollack, they "have achieved their rank and fame by the cultivation under most trying circumstances, during more than a generation, of an unceasing devotion to ideal industrial integrity * * * and highest standard of expert workmanship by the undersigned," to wit, "Yours truly, Augustus Pollack." The record discloses a number of letters written after the death of Augustus Pol-

lack which were put in evidence by the complainant for the purpose of showing the high reputation of the Pollack stogies, and it is a significant fact that of twenty-one such letters written in the years 1908 and 1909, fourteen were addressed to Augustus Pollack personally. If one, having right by succession to employ a trade-mark, trade-name, label or other distinguishing mark in the conduct of his business, deliberately makes such use of it as is intended or calculated to deceive or mislead the purchasing public with respect to the origin, manufacture or ownership of the goods in connection with which it is used, he is not entitled to relief in equity against persons infringing or wrongfully using such trade-mark, trade-name, label or other distinguishing mark to his detriment in connection with the sale of their own goods. While little can be said by way of justification of the conduct of the defendants, and without discussing the evidence in detail, we agree with the court below that the course of the complainant after succeeding to the business of Augustus Pollack was not such as was demanded by a proper regard for the protection of the public against deception touching the subject matter as to which protection is sought against the defendants, and that his acts and omissions leave him no standing in a court of equity for relief in the premises. With respect to the contention that the complainant, being a foreign administrator who has not obtained ancillary letters in Pennsylvania, has no title to maintain this suit, it is unnecessary in view of the conclusion reached to express an opinion. For the reasons above given the decree of the court below is affirmed, the costs in this court to be paid by the appellant.

J. B. McPHERSON, District Judge, dissents, believing that the facts of this case do not call for the application of the doctrine of "clean hands."

YALE & TOWNE MFG. CO. v. WORCESTER MFG. CO.

(195 Fed. Rep., 528.)

First Circuit, April 9, 1912.

TRADE-MARK—INVENTOR'S NAME.

The registration as a trade-mark of the name of a patentee, by which

name the patented invention had been known during the life of the patent, does not give any exclusive right to the use of the name, after the patent has expired.

Appeal from the circuit court for the district of Massachusetts.

Frederick P. Fish and Archibald Cox (Louis H. Porter and Howland Twombly, on the brief), for appellant.

Odin Roberts (Roberts, Roberts & Cushman, on the brief), for appellee.

Before PUTNAM, Circuit Judge, and ALDRICH and BROWN, District Judges.

PUTNAM, Circuit Judge.—The case is thoroughly and sufficiently stated in the opinion of the learned judge of the circuit court, as follows:

"COLT, J. The complainant, who manufactures and sells door checks known as the 'Blount door checks,' claims a trade-mark or trade-name in the name 'Blount' when applied to door checks, and the present suit is brought to enjoin the defendant from the use of the name 'Blount' in connection with door checks, and from making and selling door checks having the same visual appearance as the complainant's door checks.

"The evidence discloses the following facts:

"The Blount door check was invented and patented by Eugene I. Blount. The Blount patents were issued December 4, 1883, and August 25, 1891, the later patent having expired in 1908.

"Until 1896 the Blount door check was manufactured by the Blount Manufacturing Company, who owned the Blount patents. In 1896, under a contract entered into between the complainant and the Blount Manufacturing Company, the complainant became the exclusive manufacturer of the Blount door checks under the Blount patents.

"The defendant did not begin the manufacture of the Blount door checks until after the expiration of the Blount patents.

"The defendant's door checks are constructed in accordance with the Blount patents, except as to some details. In form and appearance the defendant's door check is like Figure 1 of the Blount 1891 patent.

"The plate attached to the defendant's door check reads as follows:

'Yale & Towne
Blount
Door Check'

"The plate attached to the defendants' door check reads as follows:

'Blount
Improved
Door Check
Worcester Mfg. Co.'

"The defendant's name also appears in the circulars and advertisements relating to these door checks, and upon the boxes in which they are packed for shipment."

The learned judge stated his conclusions as follows:

"It is apparent from the foregoing facts that this case is governed by the decision of the Supreme Court in *Singer Manufacturing Company v. June Manufacturing Co.*, 163 U. S., 169, 16 Sup. Ct., 1002, 41 L. Ed., 118.

"Under the rule laid down in the *Singer Case*, upon the expiration of the Blount patents the name 'Blount,' as applied to door checks constructed under the Blount patents, became public property; and hence the defendant had the right to make the door checks covered by the Blount patents, and to call them 'Blount door checks,' and neither the patentee nor his successor in title could acquire a monopoly in the name 'Blount,' on the theory that it had become a trade-mark or trade-name denoting origin. Under these circumstances, it is only necessary that the defendant should clearly indicate that its door check is made by the Worcester Manufacturing Company, and not by the Yale & Towne Manufacturing Company, in order that the public may not be deceived by purchasing the defendant's door check for the complainant's door check."

Thereupon the court ordered the bill dismissed, with costs. It must be agreed that, on the record as made, the conclusion of the circuit court can not be contravened. It is true that the record suggests certain questions disposed of by us in *G. & C. Merriam Company v. Ogilvie*, in opinions passed down on January 30, 1908, and March 17, 1909, reported in 159 Fed., 638, 88 C. C. A., 596, 16 L. R. A. (N. S.), 549, 14 Ann. Cas., 796, and 170 Fed., 167, 95 C. C. A., 423, and also the special remedy there granted, which in the present case would correspondingly require that the respondent should announce on its door checks and otherwise as follows, without undue or offensive prominence to the word "Blount": "This was not manufactured by the original inventor, Blount, or his successors"—or something to that effect. However, the record permits us to grant no relief of this character. The bill rests squarely on two propositions: One, that the respondent simulated in structural appearance the complainant's door checks. As to this the circuit court made no particular finding; and the facts called to our attention do not lead us to draw an inference that the appearance to the eye of the plaintiff's device purposely simulates the structural appearance of the defendant's device. At any rate we are not able to reach a clear result on this proposition.

The only other ground of relief claimed by the bill is that the complainant has a general right in the word "Blount" as a trade-mark, properly so expressed; and the bill is rested on the registered trade-mark described therein, with no reference what-

ever to the patents which are referred to in the opinion of the learned judge of the circuit court. If complainants desire the special remedy which we gave in *G. & C. Merriam Company v. Ogilvie*, they must frankly state in their pleadings all the special facts showing that they need it and are entitled to it, and showing that, as between themselves and the respondents, they have consistently rested their claims accordingly. Parties against whom such complaints are made are entitled to be dealt with fairly and frankly. There is, however, so much in the record to suggest the subject to which we refer that we think the judgment should be made as without prejudice.

The decree of the circuit court is modified, by adding, without prejudice to proceedings by a new bill, limited to relief of the character granted in *G. & C. Merriam Co. v. Ogilvie*, 159 Fed., 138, 88 C. C. A., 596, 16 L. R. A. (N. S.), 549, 14 Ann. Cas., 796, and 170 Fed., 167, 95 C. C. A., 423, and, as thus amended, is affirmed; but the district court is authorized to annul the decree appealed from, and permit an amendment limited as aforesaid, in either case on such terms as equity requires, and the respondent recovers its costs of appeal.

UNITED STATES CIRCUIT COURT

WM. WRIGLEY, JR., & CO. V. L. P. LARSON, JR., CO., *et al.*

(195 Fed. Rep., 568.)

Northern District of Illinois, November 20, 1912.

1. PRELIMINARY INJUNCTION—PRAYER OF BILL.

It is not necessary that the bill of complaint specifically pray for a temporary injunction, where it asks for a final injunction. A motion for temporary relief will lie, in the absence of such a prayer.

2. UNFAIR COMPETITION—IMITATION OF PACKAGE.

Upon the facts disclosed, it is clear that the defendant's package is a simulation of the plaintiff's, in colors, style and arrangement of lettering, such as is likely to deceive the consumer.

In Equity. On motion for a preliminary injunction.

Offield, Towle, Graves & Offield, for plaintiff.

George I. Haight, for defendants.

CARPENTER, District Judge (orally). Defendant objects to the issuing of the writ:

First: Because the bill is sworn to upon information and belief. Inasmuch as the equities of this case may be determined upon the physical exhibits produced and made a part of the bill, it will be unnecessary for this court to determine whether the verification of the bill is sufficient to support a temporary restraining order.

Second: It is urged that there is no prayer in the bill for a temporary writ of injunction. Cases may be found in the books to the effect that such an order may not issue unless specifically prayed for. The bill does pray for a perpetual injunction, and if the circumstances warrant, and the proper protection of the complainant requires it, I am prepared to hold that the prayer for a perpetual injunction is broad enough to support the issuing of a temporary injunction. The court is much more concerned with the merits of this litigation than with the technical forms of equity pleading. Moreover, a special motion has been made for a preliminary injunction, and if need be it will be considered as an amendment to the prayer of the original bill, sufficient to allow the issuing of such a temporary writ.

Third: The parties are manufacturers of chewing gum. The complainant has made use of certain color schemes and markings, both for boxes and the individual packages of gum. Its particular brand is known as "Spearmint." The defendants manufacture a brand advertised as "Peptomint." A casual examination of the size, shape, and markings of the boxes and packages discloses immediately very marked differences. No dealer would be misled for a moment into thinking that the defendants manufactured and offered for sale the goods of the complainant. The fact remains, however, that the body of defendants' box is colored yellow, as is that of the complainant. The lettering on the defendants' box is in red, green, and white, as is that of complainant. The significant mark on complainant's product is a green bar spear with the word "Spearmint" upon it. The significant mark on the defendants' box is a green bar, without the spearhead, placed at an angle, over a red circle, with the word "Peptomint" upon it. The word "Spearmint" and the word "Peptomint" each contains nine letters. Each word is printed in white block letters upon the green bar. The defendants have

their name in script, "L. P. Larson, Jr., Co.," in the same general type as the complainant employs in the name "Wm. Wrigley, Jr., Co." The general color scheme made use of by the defendants, both on the box and on the individual packages, is almost identical with that made use of by the complainant. The similarity between the two sets of devices seems to the court to have been inspired by other than esthetic emotions. Of all the colors and shades that the defendants might have made use of, it is strange that those employed by the complainant should be the only ones that would satisfy the trade; that, of all the possible methods of arrangement of the words and letters, it is equally strange that the defendants should have found that only the arrangement employed by the complainant would be effective. It would be rather a forward development of modern tendencies toward efficiency to so hold.

Business men, clearly, would not be deceived by an examination of the exhibits in this case. Dealers know from whom they are buying and what they are buying, and are seldom, if ever, misled, except by nearly exact counterfeits. The defendants do not represent their goods as that of the complainant. They do, however, sell their goods at a lower price, and by simulating the complainant's cartons, boxes, and packages, they have, without making any false representations, put it in the power of the less scrupulous traders to impose upon the public, and to dispose of the cheaper article as the article of the complainant. The court does not require, in cases of this kind, proof of fraudulent dealing. If the devices and methods of the defendants are so similar to those of the complainant as to be calculated to deceive the casual purchaser into buying the goods of the defendants as the goods of the complainant, a court of equity ought to enjoin the defendants from a further prosecution of their methods of doing business.

No reasonable explanation is offered by the defendant of why they have adopted substantially the devices of the complainant. It is not shown that the gum business could not be successfully carried on by different shaped boxes and packages, or by different color schemes and lettering. This court is of the opinion that the similarity between the defendants' boxes and

packages and those of the complainant is not accidental. The action of the defendants appears to have been deliberate, and, no explanation having been offered, the court can not escape the conclusion that it was done for the sole purpose of gaining some unfair advantage by trading upon the established reputation of the complainant.

On the authority of *Charles E. Hires Co. v. Consumers' Co.*, 100 Fed., 809, 41 C. C. A., 71, *Lever v. Goodwin*, L. R., 36 Chancery Division, 3. *Reddaway v. Banham* (1896), Appeal Cases, 199, and *Tarrant v. Hoff*, 76 Fed., 959, 22 C. C. A., 644, the motion for a preliminary injunction will prevail, and the complainant may prepare an order by which the defendants, their clerks, servants, and agents, are restrained, during the pendency of this suit, or until further order of this court, from manufacturing, selling, advertising, offering or announcing for sale, or supplying, chewing gum in packages, or boxes, under labels substantially identical with or like the boxes, packages, and labels of the complainant, employed for that purpose, or in boxes or packages, or under labels which are calculated to deceive purchasers or consumers into the belief that the chewing gum manufactured by the defendants is the product of the complainant, or which will enable others to substitute or sell the product of the defendants as and for the product of the complainant.

UNITED STATES DISTRICT COURT

GARNIER v. ROSSMAN.

(195 Fed. Rep., 175.)

Eastern District of Missouri, March 5, 1912.

TRADE-MARK—VALIDITY.

The word "Abricotine" applied to a cordial or liqueur is an arbitrary, coined word not descriptive of the goods and, therefore, a valid trade-mark.

In Equity, on final hearing.

A. Parker Smith and *James L. Hopkins*, for complainant.

James A. Carr and *Albert C. Davis*, for defendant Tekla
Rossman.

DYER, District Judge.—On the 28th of August, 1911, this bill was filed against Tekla Rossman and Frederick Rossman. Subsequently by stipulation of parties the bill was dismissed as to Frederick Rossman, who it appears was a minor.

The bill in substance alleges that about the year 1872 one Paul Garnier, a citizen of France, adopted as a trade-mark and trade-name, for use in connection with the sale of a cordial or liqueur manufactured and sold by him, the arbitrary coined word "Abricotine," and thereafter used the same as a trade-mark and trade-name down to the time of his death; that thereafter Andre Garnier succeeded by inheritance to said business, and to the exclusive right and privilege of using said trade-mark and trade-name, and continued to use the same down to his death; that thereafter the complainant (who is the widow of the said Andre Garnier) succeeded to the business and to the good will thereof, with the exclusive right to use said trade-mark and trade-name "Abricotine" in connection with the sale of cordial or goods of the same descriptive properties; and that she has continued the business of making the kind of cordial that her said predecessors had made, under the trade-mark "Abricotine," and caused all packages containing said cordial to be plainly marked with the word "Abricotine," etc.

The complainant further states that the said trade-mark was duly registered by her predecessors as provided for under the laws of the French Republic, and that the same has been in actual use as a trade-mark for more than ten years next preceding the act of February 20, 1905 (33 Stat., 724, c. 592). It is further averred that complainant's immediate predecessor caused the same to be registered in the patent office at Washington on the 6th of November, 1906, and that thereafter complainant herself caused said trade-mark to be registered at Washington on the 1st of November, 1910. The complainant then alleges that the defendant has been and is now engaged in the manufacture and sale of a cordial or liqueur, and marking packages containing the same, with the word "Abricotine." This the complainant claims is an infringement of her trade-mark, or trade-name, and prays that the defendant be enjoined from its further use, etc.

The defendant denies that the plaintiff has the sole and exclusive right of selling cordials or liqueurs marked with the word "Abricotine," and denies that the word "Abricotine" has been used as a trade-mark, and that whatever use complainant made of the word was *merely descriptive* of her goods, etc. The defendant denies that either of complainant's alleged trade-marks are valid, as giving her the exclusive use of the name "Abricotine."

The evidence in this case consists of a stipulation as to certain facts. The real and controlling question in the case hinges upon the word "Abricotine." If it be such a word as the complainant could adopt as a trade-mark or trade-name, then she is entitled to recover in this proceeding. There is no doubt but that the defendant has used and is continuing to use the trade-mark (if it be a trade-mark) of the complainant. This word "Abricotine" is not found in our dictionaries, and as far as I have been able to find is not found in the French dictionaries either. The defendant insists that the word "Abricotine" is *purely descriptive of complainant's goods*, and not therefore capable of being a valid trade-mark. Upon the other hand, complainant contends that the word "Abricotine" is a *coined word* and is not descriptive of the goods to which it is applied. With this latter contention the court agrees. The complainant's trade-mark is valid. The defendant has infringed it.

A decree as prayed for in the bill will be entered.

McILHENNY, *et al.* v. HATHAWAY, *et al.*

(195 Fed. Rep., 652.)

Eastern District of New York, April 18, 1912.

INFRINGEMENT—UNAUTHORIZED USE OF MARK ON OWNERS' GOODS.

A trade-mark is infringed by the unauthorized application thereof to goods made by the owner of the mark, as well as by the application thereof to the product of another.

In Equity. On demurrer to the complaint.

Strong & Cadwalader (Hugh A. Bayne, of counsel), for complainants.

Purdy, Squires & Rowe, for defendants.

CHATFIELD, District Judge.—The defendants have not appeared in support of a demurrer interposed to a complaint alleging violation of trade-mark by the attempted sale in this country of certain bottles of pepper sauce, bearing a label alleged to be an identical imitation of that of the complainants, and showing the complainants' trade-mark "Tabasco."

It appears from the allegations of the complaint that the goods were fraudulently bottled and labeled from a quantity in bulk actually manufactured by the complainants and taken from them by fraud. If these goods be not the ones so described, then the contents themselves, as well as the packages, have been made in imitation of the genuine product of the complainants. Upon preliminary injunction, this court has held that the complainants were entitled to an injunction enjoining the sale, removal, or disposal of the goods involved in the suit until final hearing, and this established an apparently valid *prima facie* case on the face of the pleadings. *McIlhenny, et al. v. Hathaway, et al.*, decided December 28, 1905.

The demurrer calls in question the allegations of the same complaint upon which the preliminary injunction was granted, and admits as well the allegations of that complaint. It would appear that this admission covers either cause of action as alleged, namely, that the contents are genuine, but are mislabeled without authority, or that the entire package is an imitation.

If the contents are genuine, and are placed before the public in such form that a person buying the article would not, if the goods were in fair condition, ascertain that he had not secured a product legally sold under the complainants' trade-mark, and even if this customer were not injured by the use of the particular goods, and might be inclined to purchase the genuine article in the future, nevertheless, the inviolability of the product placed upon the market, the reputation of the complainants, and the safe protection of the public requires a holding that such use of genuine goods is of itself a violation of the rights of the complainants to have their goods issued only under the genuine trade-mark. On the other hand, the possibility of adulteration or change in putting out what has been referred to as "originally genuine" goods, and the injury to the owner of

the trade-mark, from imitations which could not be easily traced to the responsible party by legal proof, or would not be easily detected by the public in the ordinary way, is further reason why the complainants are entitled to protection.

For these reasons, both the preliminary injunction seems to have been proper, and the defendants, by demurring and admitting the complainants' allegations, have placed themselves in a position where, unless their default be excused, they should be prevented from further acts of the same character. The complainants may have an order overruling the demurrer and directing that a decree be entered granting judgment absolute, unless the default be opened and proper answer be interposed within ten days.

NEW YORK SUPREME COURT

LUYTIES BROS. v. E. ZIMMERMANN & Co.

(133 N. Y. Supp., 997.)

Appellate Division, First Department, March 8, 1912.

UNFAIR COMPETITION—LABEL IMITATION.

It is not necessary that a label be exactly copied, to justify a court of equity in protecting it by injunction. It is enough that the ordinary purchaser, under ordinary conditions, is likely to be deceived.

Appeal from an order of special term, New York county, denying a motion for a preliminary injunction.

Argued before CLARKE, McLAUGHLIN, LAUGHLIN, SCOTT, and DOWLING, JJ.

George W. Tucker, Jr., for appellant.

Abraham Benedict, for respondent.

SCOTT, J.—The label adopted by the defendant presents a typical case of fraudulent imitation of the label long used by plaintiff, and is none the less fraudulent and objectionable because its separate features, when examined in detail, are not found to be copies of the corresponding features in plaintiff's labels. The designer of the defendant's label certainly displayed great ingenuity in producing a label which would closely re-

semble, without actually copying, plaintiff's label; but, to justify the interposition of equity, it is not necessary that a label should be copied. It is sufficient that the resemblance is such that it is calculated to deceive the ordinary purchaser, under the conditions generally prevailing in the particular traffic to which the controversy relates. *Vulcan v. Meyers*, 139 N. Y., 364, 34 N. E., 904; *Fischer v. Bank*, 138 N. Y., 244, 33 N. E., 1040; *Anargyros v. Egyptian Cigarette Co.*, 54 App. Div., 345, 66 N. Y., Supp., 626; *Dutton & Co. v. Cupples*, 117 App. Div., 172, 102 N. Y. Supp., 309.

There is so little doubt about the defendant's label that its use should be enjoined at once, without awaiting the result of a trial. The other features of defendant's bottle of which complaint is made are not so obviously unlawful as is the label, and the question of enjoining the use of them, or any of them, may well be left to be determined upon the trial. If the use of the label be discontinued, the other features, standing alone, may not be found to be objectionable.

The order appealed from must be reversed, with \$10 costs and disbursements, and the motion for an injunction *pendente lite* granted, to the extent above indicated. Settle order on notice. All concur.

GENERAL CEMENT PRODUCTS CO. V. CEMENT APPLIANCES CO.

Special Term, New York County, June 19, 1912.

UNFAIR COMPETITION—NOVEL DESIGNATION FOR A NEW APPLIANCE.

The words "Cement Gun" do not seem to be descriptive of an appliance for mixing and applying cement to surfaces, but whether it is descriptive or not, the first user of the term for a novel appliance invented for this purpose has a right to be protected in the use of the term against a rival maker of a like device.

In Equity. On final hearing.

Griggs, Baldwin & Baldwin, for plaintiff.

I. Siegeltuch, for defendant.

GERARD, J.—Plaintiff brings this action seeking to restrain the defendant from using the words "cement gun" in conjunc-

tion with each other or in conjunction together with any other words, and from in any manner competing unfairly with plaintiffs or infringing upon plaintiffs' rights to use the name "cement gun" as a trade-mark and trade-name. In their complaint plaintiffs allege that they adopted the words "cement gun" and "cement gun process" months before the defendant claims to have used them and that by such adoption they have acquired a property in the use of these words, as applied to a device and process for the preparation and handling of plastic materials and their application to surfaces. The defendant claims to be the owner of a device and process of a character similar to plaintiffs' and it has applied the name "cement gun" to its device. Plaintiffs claim that the defendant can have no motive in using these words, except to create confusion and avail itself of the plaintiffs' expenditure in building up a demand for that device owned by plaintiffs, to which they as the first users had already applied the words "cement gun." It is claimed by the defendant that the word "gun" has been used in connection with various instruments or contrivances used for trade, manufacturing and household purposes; that the words "cement gun" as applied to a device and process as used by plaintiffs, is not arbitrary to such an extent as to entitle plaintiffs to pre-empt the said words for their exclusive use, in connection with their device and process, and it is claimed that the words "cement gun," as applied to this device and process, are merely descriptive. A number of years ago Carl M. Akeley, employed as a naturalist in the Field Museum at Chicago, in the endeavor to devise a means to coat the exterior of the Field Museum Building, which had been erected as part of the Columbian World's Fair Exposition, produced a device by which he applied a coat of gypsum to the outer walls of the building. This device worked so successfully that a company was organized and a large sum of money expended in putting the machines in commercial shape. The device was at first called a "plastering machine," and later on the name "cement gun" was suggested; and the name was thereafter used in connection with this device and these machines were put upon the market. This machine is described by the defendant itself as a machine "that takes all the constituents of the finished products,

mixes the solid constituents, namely, sand and cement, in their proper proportions, conveys them in a dried state to a nozzle, brings about in that nozzle a combination of the dry particles with the liquid or water and carries the mixture, which is now cement mortar in the act of setting, to the point of application." This is a fair description of the machine and the process, and the question is, Would the ordinary man of average intelligence, not acquainted with this process, understand that the words "cement gun" described this particular machine or device? It was said in the case of *Selchow v. Baker* (93 N. Y., 59), known as the "sliced animals case," "Whether a name claimed as a trade-mark is subject to the objection of being descriptive, or whether it is an arbitrary or fanciful name, must depend upon the circumstances of every case as it arises." It seems to me that, to a person who had never heard of this device, the words "cement gun" convey the idea of a gun made of some kind of cement, and not a device which, as above stated, mixes certain ingredients together in their proper proportions, projects them in a dry state to a nozzle, where they are there combined with water and then projects them in the form of setting cement against some surface. In this very *Selchow* case the words "sliced animals" were protected as applied to toys, which were pictures of animals cut into strips or pieces, and the game or puzzle consisted in putting the pictures together. It is the principle of the trade-mark and trade-name law that words which are not new may be used to indicate a substance or article of which they are not properly descriptive if their application to such purpose is new and, to some degree, matter of invention. For instance, the Brooklyn Valet case (*Cohn v. Reynolds*, 26 Misc., 473). The plaintiff carried on a business in the name of the Brooklyn Valet. His business consisted of sending out wagons to collect men's clothing, and to bring it to his place of business, where it was repaired, pressed and cleaned, and then returned. The defendant started in business in the same city and called his business "My Valet," and the question presented to the court was whether the word "valet" was descriptive of the business carried on by plaintiff, or whether its application to that business was so arbitrary and fanciful as to entitle it to the protection of the law. The

court said the word "valet," as there used, "might indicate much of service and attention as towards clothing" but that that did not make it any more descriptive than are the words "damascus blade," when applied to ordinary scythes, or "crystal" when applied to castor oil, and the court held that an injunction would issue. This decision was unanimously affirmed in the appellate division (40 A. D., 619). In *Stoughton v. Woodward* (39 Fed. Rep., 902) the complainant was engaged in manufacturing drops of a reddish color of cherry flavor, sold for alleviating colds and coughs, under the name of "cough cherries," and he was protected in the use of that name on the ground that the words were not absolutely descriptive, but to an extent arbitrary and fanciful as applied to the case in question. In *Globe Wernicke Co. v. Brown* (121 Fed. Rep., 185) the word "elastic," as applied to sectional bookcases so made that the size could be increased by adding new sections, was protected, and in the "Electro-Silicon" case (*Electro-Silicon Co. v. Hogan*, 29 Hun, 369), the words "electro-silicon" were protected, as applied to a powder used for polishing, although there was such an article known as "silicon," the court finding that "silicon" as such was not a commercial commodity and although the powder was composed of silicon skeletons, or minute shell chemicals, consisting of silica. Other similar cases are *Wells & Richardson Co. v. Siegel-Cooper Co.* (106 Fed. Rep., 77), where the words "Celery Compound" were protected on the ground that, while under certain conditions the words "celery compound" could well be considered descriptive, yet the facts shown established the contention that they had never been used in a strictly descriptive sense, but had acquired a secondary meaning for a designation for complainant's preparation. In *Revere Rubber Co. v. Consolidated Hoof Pad Co.* (139 Fed. Rep., 151), the words "Air Cushion," as applied to a pad for use in horseshoe pads, were protected. In *Glen Cove Mfg. Co. v. Luderman* (22 Fed. Rep., 823), the word "Maizena," as applied to a preparation of maize was protected. The case of *Barrett Chemical Co. v. Sterns* (176 N. Y., 27) is relied on by defendant. In that case it was held that the words "Roach Salt," as applied to a poisonous preparation, would not be protected, the court finding that the word "roach" is a common

English word for a certain insect and the word "salt" a word used to describe chemical preparations and an article of food. Of course when roach salt was put on sale no one would suppose or assume that it was on sale for the purpose of inducing charitable persons to purchase food for the sustenance of roaches, and as the only reason that any preparation for roaches would be purchased would be for the purpose of poisoning them, it was therefore held that the words were a mere equivalent to "roach poison," and therefore accurately descriptive of the article sold. Irrespective of the question of trade-mark, however, I think the plaintiffs are entitled to relief on the ground of unfair competition. They first produced and used this device in question, which is an absolutely new device and process. Whether they are entitled to a patent for it or not is a question, of course, not before this court; but it seems to me that they are entitled to be protected in this name which they first adopted. The plaintiffs proceeded promptly against the defendant as soon as the defendant commenced the use of these words, and it has been held that in an action to restrain unfair competition, fraud need not be directly proved, but may be inferred from the imitation alone, nor is it necessary to show that any person had actually been deceived (see *Vulcan v. Meyers*, 139 N. Y., 364). Plaintiffs are entitled to the relief prayed for. Submit findings.

ELBS V. ROCHESTER EGG CARRIER COMPANY.

(134 N. Y. Supp., 979.)

Special Term, Monroe County, March 16, 1912.

1. UNFAIR COMPETITION—IMITATION OF GOODS.

The mere copying of an unpatented mechanical device without the imitation of what is adopted for purposes of decoration or of identification, is not unfair competition.

2. UNFAIR COMPETITION—SIMULATION OF TRADE-NAME.

The name "Rochester Egg Carrier & Tray Mfg. Co." is confusingly similar to the name "Star Egg Carrier and Tray Mfg. Co." used by another Rochester manufacturer in the sale of similar appliances, and should be enjoined.

3. UNFAIR COMPETITION—MISLEADING ADVERTISING MATTER.

The publication of advertising matter so equivocal in expression and so misleading in language as to cause the business of the user to be confused with an earlier business of the same character is unfair competition and will be enjoined.

On trial of the action. A motion for preliminary injunction was denied and the order denying an injunction was affirmed. 146 App. Div., 903; 133 N. Y. Supp., 1120.

Church & Rich (James M. E. O'Grad, of counsel), for plaintiff.

Werner & Harris (Geo. H. Harris, of counsel), for defendant.

SUTHERLAND, J.—The plaintiff and defendant manufacture egg carriers and trays in the city of Rochester. Plaintiff, as the principal stockholder and executive head of the corporation "Star Egg Carrier & Tray Manufacturing Co.," and latterly in his individual right, has been in that business since 1904, using individually for trading purposes the name "Star Egg Carrier & Tray Mfg. Co." Said corporation having been dissolved, plaintiff succeeded to its property and good will. The defendant commenced that business in October, 1910, when it was incorporated under the name "Rochester Egg Carrier Co." It has called itself, however, for advertising purposes and in its correspondence, "Rochester Egg Carrier & Tray Mfg. Co." The egg carrier manufactured by each party consists of a rectangular box containing 12 separate compartments to carry a dozen eggs, each compartment holding a single egg, in the top of which box a paper tray is placed bottom side up, which serves as a cover for the eggs, being held in place by a wire bail; and the package thus made up is sent from the store where the purchase is made to the house of the customer. There the bail is moved back, the carrier inverted, and the eggs are left in the paper tray with the purchaser, the carrier containing the cellular compartments being returned to the store of the dealer. Although egg carriers have been in use for many years in one form or another, the plaintiff's predecessor in the business, to whose rights he succeeded, was the first to establish a trade in this form of egg carrier in combination with a paper tray cover intended to be left with the purchaser of the eggs as the depositary thereof. Before the defendant was incorporated or began the manufacture and sale of similar devices, the instrumentality conceived by the plaintiff's predecessor had attained wide and deserved popularity,

and a very extensive business with jobbers, wholesale dealers, and retailers throughout the country had been established, and plaintiff had spent large sums in advertising and organizing his business connections, and had acquired in the course of the years a good will which was and is of great value.

The plaintiff alleges that the defendant, a newcomer in this line of business, starting in the same city, has imitated the plaintiff's mechanical product in structural plan and appearance, and has adopted a trade-name very similar to his own, and so closely has copied plaintiff's advertising matter as to result in confusion among his customers, diverting from plaintiff to the defendant much custom that is intended to come to plaintiff through the reputation which his product had acquired, and that the purchasing public is deceived thereby, and plaintiff's rights in the premises greatly prejudiced. The acts and purposes outlined by the plaintiff in his complaint are those known as "unfair competition." The defendant denies any intent to simulate the mechanical product of the plaintiff, and denies any attempt to copy the name or appropriate to its own use the peculiar and distinctive advertising plans or material utilized by the plaintiff, and asserts that it is marketing a product which it has a right to make and sell, and that its advertising and literary output have been only such as it has a right to use in stating to the trade the purposes, virtues, costs, etc., of the articles thus made and sold.

Each party to the action holds letters patent upon certain features of the respective carriers thus manufactured and sold. Certain claims of infringement which can not be determined in this case are in litigation in the federal courts, whose jurisdiction over those questions is exclusive, and where ample remedies may be awarded.

As to the mechanical side of the matter before this court, it would seem that the similarity in form, method of construction, and appearance complained of does not amount to unfair competition, but results almost of necessity from the superior adaptability of apparatus constructed in just that way to the use for which it is intended. If the plaintiff or his predecessor created a more convenient instrument or combination of instruments for marketing eggs than had theretofore been known or used,

the invention, unless patented, inured to the benefit of every one. The equitable rule forbidding unfair competition does not open a second way to acquire the monopoly given to an inventor under the patent laws. *St. Paul Elec. Co. v. McCrum-Howell Co.* (C. C. A.), 189 Fed., 849; *Globe-Wernicke Co. v. Fred Macey Co.*, 119 Fed., 696, 56 C. C. A., 304. Of course, if defendant had dressed up its mechanical device so as to make it look like plaintiff's contrivance, copying features that do not affect its working capacity, but only serve as identification marks, and had done this to deceive purchasers as to the source of the goods, a different question would arise. But when one comes to make a box or case to contain a dozen eggs, there is not a wide variety of form from which to choose. There is only one best way of doing anything in the industrial world. Such a box, naturally, would be rectangular in form, and the rows of compartments would be three or four each, and the whole thing just large enough and strong enough to insure safe delivery and durability. Any paper tray, if intended to be used at first as a cover and next as a container in which the eggs are left on the kitchen table of the customer, naturally would be just about the size and shape of the paper trays used by plaintiff and defendant.

In the drawing of the device on which defendant's patent was applied for, the tray is depicted as extending outside of the edge of the carrier itself, and the tray is shown to be held in place by an elastic band attached to the side of the carrier. The tray in the plaintiff's device fits inside the edges of the carrier and is held in place by a metal bail which can easily be withdrawn at the moment of delivery. When the defendant came to put its product upon the market, its trays were made to go inside the carrier, and were fastened with wire bails, thus approaching very closely to the plaintiff's method. But it is evident on comparison that it is more practicable to have the tray inside the edges of the carrier, and that a sliding wire bail is a more permanent and desirable instrument for holding the tray in position over the eggs in transit than an elastic band would be. Now, if this more convenient and practicable method of placing the tray covering in the carrier and fastening it there in transit is not protected by the plaintiff's patent, it is open to the defendant

or any one to utilize. And in reference to the mechanical part of this case it may be said generally there is no feature of similarity between the product of the plaintiff and defendant, the choice of which is not explainable on the basis of convenience and suitability to the use intended.

On the other hand, the charge of unfairly simulating the trade-name and advertising matter of plaintiff seems to have substantial foundation. As stated above, the business to which plaintiff has succeeded was conducted from 1904 to October, 1909, at Rochester by a corporation having the corporate name and known in the trade as "Star Egg Carrier & Tray Manufacturing Co." Plaintiff, having become the owner of the capital stock of that corporation, caused it to be voluntarily dissolved; and upon the dissolution plaintiff acquired legal title to all its property, including trade-marks, good will, patents, etc., and in October, 1909, filed a certificate adopting as his trade-name the name of said former corporation, "Star Egg Carrier & Tray Manufacturing Co.," said certificate complying in that respect with the requirements of the statute, and since that time he has used said trade-name in conducting the business of manufacturing and selling egg carriers and trays. During the life of said corporation and since then, the said name became widely known, and came to be identified by the trade generally with the product manufactured and sold by the plaintiff and his predecessor; and the trade had come very generally to recognize the peculiar combination of egg carrier covered by a paper tray to be left as a container for the eggs with the purchaser, as a Rochester product, made exclusively by the concern known as "Star Egg Carrier & Tray Manufacturing Co." Now, after this reputation had been acquired, and the name of the producer and the product had become associated correlatively throughout the trade, the defendant, in October, 1910, became incorporated under the name "Rochester Egg Carrier Co." and began to advertise under and to use for trade purposes the name "Rochester Egg Carrier & Tray Mfg. Co." Among the stockholders of the defendant was one Talling, who had been connected with the plaintiff in a confidential capacity, and had knowledge of the plaintiff's customers throughout the United States and of plaintiff's business affairs

generally. For some reason, Talling caused his stock in defendant company to be held in the name of his brother-in-law. Defendant's circulars and advertising matter, under the name "Rochester Egg Carrier & Tray Mfg. Co.," were sent to plaintiff's customers very generally, and some of those who had been accustomed to deal with the plaintiff were confused by the similarity of trade-names and advertising matter sent out by defendant, and supposed that the defendant was the same concern that had been making egg carriers and trays at Rochester, with which they had been accustomed to deal in the past; and it does not seem to be unjust to charge defendant with anticipating and endeavoring to bring about just such a result, so that some of the habitual customers of the plaintiff might unwittingly transfer their patronage to the defendant, believing that they were still dealing with the old concern.

The words "egg carrier and tray manufacturing company" are, of course, descriptive in their primary sense, and can not be appropriated as a trade-mark for the exclusive use of the plaintiff. *Computing Scale Co. v. Standard Comp. Scale Co.*, 118 Fed., 965, 55 C. C. A., 459.

But these words in the name of the manufacturing company had acquired a secondary and predominating meaning throughout the trade, before defendant became a competitor, signifying the specific and exclusive source of a well-known special product; and the intentional use of those words as a trade-name by a new concern, for the purpose of deceiving or confusing the purchasing public, is unfair competition and can be restrained if such confusion and deception has resulted or is likely to result. *Lowe Bros. Co. v. Toledo Varnish Co.*, 168 Fed., 627, 94 C. C. A., 83; *Nims on Unfair Business Competition*, p. 212; 38 Cyc. pp. 789, 800, 801; *Dymont v. Lewis*, 144 Iowa, 509, 123 N. W., 244, 26 L. R. A. (N. S.), 73.

The first word in the plaintiff's trade-name is "Star," and the first word in defendant's "Rochester." The word "Rochester" chosen by the defendant is not well calculated to differentiate the two concerns in the mind of the trade. Plaintiff's concern being known to be located at Rochester, the use of the word "Rochester," in

itself, would not indicate to the tradesman in St. Louis a new departure. *Dyment v. Lewis, supra*. And not much importance should be attributed to the word "Star" in the plaintiff's title, because that word has been chosen in such a multitude of instances for almost every kind of a product that it has no longer any marked and salient individuality. However that may be, the proofs in the case show that the names, coupled with a similarity of advertising matter, were confusing to the tradesmen who were accustomed to deal with the plaintiff and desired to continue those dealings. This makes the criticism of unfair competition properly apply in this instance.

The circular letters sent out by defendant to the trade soliciting patronage were received very generally by the plaintiff's customers. The letter head has upon the left-hand side a picture of a large building, underneath which are the words "Home of Rochester Egg Carriers and Trays," and on the right half of the letter head is the wording "Rochester Egg Carrier & Tray Mfg. Co., Manufacturers of Egg Carriers, Trays and Specialties, 855 Maple Street, Both 'Phones." The first circular was signed "Rochester Egg Carrier & Tray Mfg. Co." It states:

"We beg to announce that we have incorporated a company under the name of Rochester Egg Carrier Co., to manufacture Rochester Egg Carriers and Trays."

And without quoting further, it is so equivocal in language as to make it very easy for some of the recipients of the circular to assume that the going concern with which they had been dealing had just been incorporated under the name "Rochester Egg Carrier Co.," but was continuing to use the balance of its former name, "and tray manufacturing," for trade purposes. Such an impression would be strengthened by the use of the expression "Home of Rochester Egg Carriers and Trays," which, before any carriers or trays had been marketed by the defendant, would be apt to be considered as picturing the habitat of an established concern that had acquired a reputation already known to the persons to whom the circular might come.

The last circular sent out by the defendant, after the action was commenced and not long before the trial, under the same letter head, begins as follows:

"Gentlemen: The writer has recently assumed the selling end of the Rochester Egg Carrier and Tray. In going over the correspondence we had with you I find that you have not sold as many of our goods as you ought to, which has not been altogether your fault."

After urging greater activity in pushing "our carrier and tray," the letter ends,

"Thanking you for an early reply which I await with interest, with kindest regards beg to remain,

"Very truly yours,

Rochester Egg Carrier Co.,
_____, Pres."

The name of the defendant's president, Mr. Nagle, was signed in the blank line before "Pres." It is not hypocritical to say that the letter just quoted might strike a hurried reader as indicating that there had been effected some new selling arrangement between the old concern with which he had been formerly dealing under which the product which he had been accustomed to buy was to be marketed in the future through Mr. Nagle's selling bureau.

If these two circulars are read carefully by one who, while reading, has in mind the fact that there are two concerns in Rochester manufacturing egg carriers and trays, there will probably be no great danger of confusion. Read, however, by one not aware at the moment that there are these rival companies, the result would very likely be confusion. The circulars sent out intermediate the first and last are not open to this criticism, except as to the letter head and the use of the name at the end, "Rochester Egg Carrier & Tray Mfg. Co."

The price lists and advertising cards sent out by the defendant in some instances are distinct and free from objection; in other instances they are open to the charge of intentional simulation in color, type, arrangement of pictures, sequence of ideas, display of prices, etc. In the latter instances, the copying is not exact, but it is such a close approach as to invite the criticism which is placed upon it.

In short, allowing full play for those analogies which are inevitable in the advertising of two concerns manufacturing and selling the same line of goods, there is, nevertheless, altogether too much similarity in the literary output of the two concerns to enable defendant to escape entirely the charge of intentional

imitation for the purpose of deceiving the public and diverting to the defendant the customers who intended to deal with the plaintiff according to their wont.

The patent laws aside, the defendant has the right to make these egg carriers and trays and to advertise that fact, and to acquaint the public with his wares by true pictures and appropriate descriptions. Plaintiff can not claim a preferential right to any certain type or mode of arrangement of price lists or size or color of cards. These things are all open to defendant's use. But if the combination of color, size, type, sequence of matter, arrangement of headings, etc., is such that the defendant's advertising approaches so closely to plaintiff's previously circulated advertising matter that the purchasing public, reading and being misled by the same, may buy defendant's goods, while intending to buy of plaintiff, the plaintiff has a just complaint for which he should be awarded redress.

It may be difficult to draw the line of demarcation with precision between those similarities which are natural and unavoidable and those which are intentionally chosen. Under the circumstances developed here, it would seem as if the defendant should be enjoined from using the words "and tray manufacturing" as an addition to its legitimate corporate name, and it should be enjoined also from sending out any more circulars or advertising matter in which the arrangement of pictures and headlines, style of type and paragraphing are so closely imitative of the advertising matter of the plaintiff as naturally to cause confusion and doubt as to the identity of the concern from which the advertising matter emanates. That such confusion has arisen in the trade by reason of these similarities thus deliberately adopted by the defendant is abundantly proved from the depositions of many persons in the trade, and more is likely to occur with consequent loss to the plaintiff in trade diverted by reason of these unfair competitive methods, unless they are abandoned.

Formal findings and proposed decree may be prepared and submitted to the attorneys for the defendant and settled by the court on two days' notice. Costs are allowed the plaintiff.

SUPREME COURT OF NEBRASKA

CONSOLIDATED FUEL CO. v. BROOKS, *et al.*

(136 Northwestern Rep., 60.)

May 13, 1912.

TRADE-MARK—DEALER'S RIGHT.

A dealer who has established a good will for a grade of coal under a certain brand may restrain a rival dealer from selling coal under that brand, though derived from the same mine as his own.

Appeal from district court, Lancaster county.

T. C. Doyle and *G. I. De Lacy*, for appellants.

C. E. Abbott and *Field, Ricketts v. Ricketts*, for appellee.

ROSE, J.—Plaintiff and defendants are rival jobbers in coal, and both assert the exclusive right to use in the trade the name "Cristo Cañon" to describe fuel mined by and purchased from the South Cañon Coal Company at Big Four, Colo., where it is known as the "Carbon Cañon Coal." From a decree perpetually enjoining defendants from using the name in controversy for the purpose stated, they have appealed to this court.

The following propositions of law and fact are urged on behalf of defendants to defeat the injunction. Defendants invented the name. They were the first to register with the secretary of state "Cristo Cañon" as a trade-name for coal, and a similar registry by plaintiff was afterward rejected. By using that name they did not attempt to sell their own coal as that of plaintiff. They did not perpetrate a fraud on the public, because they sold by the same name the same grade and quality of coal from the same mine. Plaintiff did not own the mine, or any interest in it, or control the output. Any wholesaler could buy the coal identified by plaintiff as "Cristo Cañon" at the same mine from the same mining company and sell it to the trade. The name is both generic and geographical, and therefore plaintiff could not acquire the exclusive right to use it as a trade-mark.

Conceding the correctness of the foregoing propositions urged by defendants, for the purposes of this case, but for no other, it does not necessarily follow that the injunction was

erroneously granted. The questions are: As between the parties to the suit, is plaintiff entitled to the exclusive use of the name? Are defendants in using the name perpetrating on plaintiff a fraud which equity will stop? Plaintiff had a right to buy coal of a particular standard and preparation from the South Cañon Coal Company at Big Four, Colo., where the coal is known as the "Carbon Cañon Coal," label it "Cristo Cañon," and sell it to retailers under that name, provided that in doing so the name had never before been used for that purpose, that there was no objection on part of the mining company, and that plaintiff did not deceive, mislead, or injure retailers or the public or interfere with any right of a competitor. The record justifies a finding that plaintiff so adopted and used the name. If the name is generic, or geographical, facts not established, the right to thus adopt and use it nevertheless existed, though it might not be protected for all purposes. *Lec v. Haley*, 5 Ch. App. (Eng.), 155; *McAndrew v. Bassett*, 4 DeG., J. & S. (Eng.), Ch. 380; *Amoskeag Mfg. Co. v. Spear & Ripley*, 2 Sandf. (N. Y.), 599; *Newman v. Alvord*, 51 N. Y., 189, 10 Am. Rep., 588. Other competitors of plaintiff purchased the same coal at the same mine and sold it by other names of their own selection. Plaintiff's use of the name "Cristo Cañon" has only been questioned or disturbed by defendants. As against them was the injunction properly granted? Plaintiff is a corporation. When defendant Brooks was its manager, it created a large demand for coal to which it had given, with his consent, the trade-name in controversy. As a result, it transacted an extensive business as a jobber. It was the exclusive source of all coal on the market by the name of "Cristo Cañon." Its customers were pleased with the fuel. They praised its preparation and quality. After the character of the coal, designated in the trade by that name, and plaintiff's reputation for fair dealing had been established, Brooks left its employ at Fremont, promptly registered in his own name "Cristo Cañon" as a trade-mark for coal, organized the W. R. Brooks Coal Company, defendant, started in business at Lincoln as a competitive jobber in plaintiff's territory, advertised to sell "Cristo Cañon Coal," sent solicitors among plaintiff's customers, and, for the purpose of promoting his own enterprise, made use

of his knowledge of plaintiff's territory, of its customers, of its business, and of the fact that other dealers bought and sold the same coal under different names.

Following the doctrine of the English courts of chancery, Vice Chancellor Van Fleet stated the requisites for acquiring title to a trade-mark as follows: "First, the person desiring to acquire title must adopt some mark not in use to distinguish goods, of the same class or kind, already on the market, belonging to another trader; second, he must apply his mark to some article of traffic; and, third, he must put his article, marked with his mark, on the market." *Schneider v. Williams*, 44 N. J. Eq., 391, 14 Atl., 812.

With these requisites plaintiff complied. While it did not own the mine or control the output, it owned the coal offered to the trade by the name "Cristo Cañon." Defendants understood and participated in the means through which plaintiff built up its trade in, and created the demand for, fuel thus designated. The manifest purpose of defendants in using the name "Cristo Cañon" and in pursuing the methods already described was to divert to themselves the benefit of plaintiff's reputation for honesty and fair dealing and to procure trade which in the ordinary and legitimate course of business would go to plaintiff as a proper reward of rectitude and enterprise. Their competition was unfair, and their conduct was a fraud on plaintiff. The registration of the name with the secretary of state was part of the fraudulent purpose and is no protection to defendants. In discussing the use of the word "Anatolia" as a trade-name for licorice, Lord Chancellor Westbury said: "There is the deliberate imitation of a mark previously existing in the market. The thing is done in order that the rival article of the defendants' manufacture may be brought into the market in competition with that which is already there. There is nothing, in a word, which is necessary for the interposition of the court which is wanting on the present occasion. But—it is urged on behalf of the defendants—this word Anatolia is a general expression; is, in point of fact, the geographical designation of a whole tract of country wherein licorice root is largely grown, and is therefore a word common to all, and in it there can be no property. That argu-

ment is merely a repetition of the fallacy which I have frequently had occasion to expose. Property in the word for all purposes can not exist; but property in that word, as applied by way of stamp upon a particular vendible article, as a stick of licorice, does exist the moment the article goes into the market so stamped, and there obtains acceptance and reputation whereby the stamp gets currency as an indication of superior quality, or of some other circumstance which renders the article so stamped acceptable to the public. Lastly, it is urged on behalf of the defendants, with respect to the costs of this suit, that they were unwilling to contest the right of the plaintiffs. When they imitated the mark, they knew that there was that mark in use, and they intentionally imitated it. It is probable that at the time they were not aware that it was the mark of the plaintiffs. But if a man finds an article sent to him from the market bearing a particular stamp, and he intentionally appropriates that stamp, and thenceforth uses it for the purpose of designating his own article, laying aside the mark that he had previously used, and appropriating that which he ought to have inferred was the property of another, he must take the consequences." *McAndrew v. Bassett*, 4 DeG., J. & S. (Eng.), Ch. 380.

In *Perry v. Trucfitt*, 6 Beav. (Eng.), 66, Lord Langdale observed: "I own it does not seem to me that a man can acquire a property merely in a name or mark; but whether he has or not a property in the name or the mark, I have no doubt that another person has not a right to use that name or mark for the purposes of deception, and in order to attract to himself that course of trade, or that custom, which, without that improper act, would have flowed to the person who first used, or was alone in the habit of using, the particular name or mark."

This doctrine has been recognized in a former opinion of this court. *Chadron Opera House Co. v. Loomer*, 71 Neb., 785, 99 N. W., 649.

On principle, plaintiff's right to the name is exclusive as against defendants. *Newman v. Alvord*, 51 N. Y., 189, 10 Am. Rep., 588; *Amoskeag Mfg. Co. v. Spear & Ripley*, 2 Sandf. (N. Y.), 599; *Lee v. Haley*, 5 Ch. App. (Eng.), 154.

The judgment of the district court is therefore affirmed.
SEDGWICK, J., concurs in conclusion.

SUPREME JUDICIAL COURT OF MASSACHUSETTS

E. W. BURT & Co., INC., v. COES & YOUNG Co. .

(98 Northeastern Rep., 596.)

Suffolk, May 25, 1912.

INFRINGEMENT—CONFLICTING MARKS.

The owner of a trade-mark, the word "Flex Arch" for shoes, can not complain of the use by another on the like goods of the term "Flexible Arch," no deception or likelihood of deception of the public being shown.

Appeal from supreme judicial court, Suffolk county.

Everett N. Curtis, for appellant.

Geo. H. Maxwell, for appellee.

DE COURCY, J.—This is a bill in equity brought to restrain the defendant from using the trade-name "Flexible Arch," and from advertising its shoes by means of a pictorial representation of a shoe bent at the arch thereof. The case was referred to a master and subsequently was heard on the plaintiff's exceptions to the master's report, by a single justice of this court. The exceptions were overruled, the master's report confirmed, and a final decree was entered dismissing the bill.

The plaintiff's appeal from the decree does not bring the evidence before us, and we can not consider the exceptions based on the contention that the master's findings are not warranted by the evidence. The only question before us is whether the decree lawfully could be entered upon the facts found and stated in the report of the master and the memorandum of the trial judge; and manifestly it could. Without reciting the facts at length, it was found that the defendants acted in good faith in advertising their shoes as "Coes & Young's 7.00 Flexible Arch-Support Shoes," and that the purchasing public were not likely to be, and in fact were not, deceived into buying them for the plaintiff's "Flex-Arch" shoes. The plaintiff proved no exclusive right to make, advertise and sell shoes with a flexible shank or arch for

the prevention and cure of flat foot, or to use pictorial illustrations of a shoe bent at the arch to show its flexibility; and no infringement of trade-mark rights or unfair competition was established.

Decree affirmed, with costs.

COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

IN RE MEYER BROS. COFFEE AND SPICE COMPANY.

(179 O. G., 579.)

April 1, 1912.

DESCRIPTIVE TERM.

The word "Trophy" was properly refused registration on the ground that it is descriptive, in that it indicates that the goods to which it is applied had been recognized as of superior quality.

Mr. J. A. Carr, for the appellant.

Mr. W. S. Ruckman, for the Commissioner of Patents.

SHEPARD, C. J.—Applicant appeals from a decision of the commissioner of patents (170 O. G., 705) [Trade-Mark Reporter, Vol. 1, p 332] denying registration of a trade-mark for coffee, which consists of the representation of a loving-cup in connection with the word "Trophy."

The commisisoner held that the mark is descriptive, in that it indicates that the applicant's goods have been recognized as of a superior quality by the representation of a prize or trophy.

The decision is within the principle governing former decisions of this court, and others. (See *in re National Photographic Co.*, 29 App. D. C., 142; *Worcester Breawing Comporation v. Reuter & Co.*, 30 App. D. C., 428; *in re Meyer Bros. Coffee and Spice Co.*, 32 App. D. C., 277; *in re New South Brewing Co.*, 32 App. D. C., 591; *Taylor v. Gillies*, 59 N. Y., 331; *Standard Paint Co. v. Trinidad Asphalt Co.*, 220 U. S., 446-453.)

The decision will be affirmed and this decision certified to the commissioner of patents.

COMMISSIONER OF PATENTS

EX PARTE, THADDEUS DAVIDS CO.

(178 O. G., 1151.)

March 1, 1912.

CONFLICTING TRADE-MARKS.

The word "Coro" so nearly resembles the word "Corolla" that their simultaneous use upon goods of the same descriptive properties would be likely to cause confusion.

Mr. W. P. Preble, Jr., for the applicant.

MOORE, Commissioner.—This is an appeal from the decision of the examiner of trade-marks refusing to register the word "Coro," printed in script type, as a trade-mark for ink.

The registration was refused in view of the registered mark "Corolla," No. 7,945, on the ground that the two were so similar as to be likely to cause confusion. In support of his holding the examiner cites cases in which "Rex" and "Rexall," "Carmen" and "Carmencita," "Purock" and "Pureoxia," respectively, have been held so similar as to be apt to cause confusion in the trade. He also cites other cases in which the similarity to the present case is not so marked.

Applicant's argument upon this appeal deals entirely with the difference in sound in the two words when pronounced and a possible difference in significance. Even as to these features it is believed that the similarity is too close to justify registering applicant's mark; but one of the greatest similarities between the two lies in the appearance which the words present to the eye. If there were any doubt as to the propriety of registering a mark, it is believed that the cases cited by the examiner are so closely analogous as to be controlling in this instance.

The decision of the examiner of trade-marks is affirmed.

EX PARTE, THE AMERICAN SUGAR REFINING CO.

(178 O. G., 1153.)

April 24, 1912.

I. DOUBLE REGISTRATION.

The words "Crystal Domino," for sugar, are properly refused regis-

tration, in view of the prior registration by the same applicant of the word "Domino" for the same goods, the specimens filed being substantially the same as those forming part of the application upon which the prior registration was based.

2. DESCRIPTIVE TERM.

The words "Crystal Domino" Held not registrable as a trade-mark for sugar, since the word "Crystal" is descriptive of such goods.

Messrs. Betts, Sheffield, Bentley & Betts, for the applicant.

TENNANT, Assistant Commissioner.—This is an appeal from a decision of the examiner of trade-marks refusing to register the words "Crystal Domino" as a trade-mark for sugar.

Registration was refused because of a prior registration by the same party of the word "Domino" for goods of the same descriptive properties.

It is urged upon appeal that the mark sought to be registered is not the same as the mark previously registered, that the word "Domino" has been used by the applicant and its predecessor in business for a much longer period than have the words "Crystal Domino," and that all the applicant is now seeking to do is to register another valid trade-mark which has been extensively used in its business.

In my opinion registration of this mark was properly refused. The record of the prior registration, No. 73,099, shows that the specimens forming part of the application upon which that registration was based are substantially identical with those which are a part of the present application. In each case the label shows the words "Crystal Domino Sugar," together with other features, which are also identical. In the previous registration it was asserted that the trade-mark sought to be registered—to wit, "Domino" alone—had been used in business by the corporation since August, 1900. The present application for registration also asserts that the—

trade-mark has been continuously used in business by said corporation since August, 1900.

In the decision of the court of appeals of the district of Columbia in *Planten v. Canton Pharmacy Co.* (143 O. G., 1113; 33 App. D. C., 268), it was held that, although an applicant for registration has a right to determine the features of his label which constitute the trade-mark he, after having registered one

thing could not, when the exigencies of the situation demanded, limit his claim to a particular feature of the original mark. In passing upon this question the court said:

By the passage of the Trade-Mark Act, Congress did not intend to confer upon any dealer the right to register fictitious marks for the purpose of limiting and restricting the field of registration of others. When, therefore, the Commissioner is satisfied that the applicant is attempting to register a particular feature of a registered mark, he should require evidence that the mark of the application has actually been used as a trade-mark. Not having limited his claims in his original application, the applicant can not prove statutory use of the mark of the second application by showing such use of the registered mark. In other words, proof of use of the words "Planten's C & C or Black Capsules," in a case where those words have been registered as a trade-mark, does not establish the use of the words "Black Capsules" as a trade-mark for the words eliminated from the registered mark, are, under the prior application, part of that mark.

It is seen from the statement above quoted that where an applicant has registered a composite mark he can not thereafter be permitted to register certain individual features of the mark without showing statutory use of such features standing by themselves as separate trade-marks. For similar reasons it is believed that an applicant, having registered an individual feature, which he swears in a declaration accompanying his application is his trade-mark, should not thereafter be given registration of another mark which includes the same subject-matter, together with other features, where the specimens filed by him are identical or substantially identical with the labels upon which the previous registration was based. In the present case, not only are the specimens the same, but the period of use alleged is the same and the registered mark is merely qualified by the single word "Crystal."

There is a further reason why, in my opinion, this registration should be refused—that is, upon the ground that the word "Crystal" is descriptive of the merchandise upon which the alleged trade-mark is used. Although the record shows that upon argument by the applicant the examiner withdrew his objection to the registration of the word "Crystal," upon the ground that the word "Crystal" qualified the word "Domino" rather than "Sugar," I am of the opinion that this word as used upon the specimens shown is of a descriptive rather than an arbitrary nature. The letters of the word "Crystal" and "Sugar" are of the

same size, whereas the word "Domino" in each instance is of a considerably larger size, and in each case the label reads "Crystal Domino Sugar." "Crystal" is obviously descriptive of sugar and does not lose its descriptive significance when printed in the manner shown in the specimens.

The decision of the examiner of trade-marks is affirmed.

DIGEST OF MANUSCRIPT DECISIONS.

Interference Proceedings

In an interference between a registered trade-mark and a pending application where the applicant files affidavits containing *prima facie* evidence of the abandonment of the registered trade-mark, the burden of proof to overcome this *prima facie* case is properly placed upon the registrant. When the latter refuses to comply with the order of the examiner of interferences, and to file proper affidavits in reply, the burden of proof in the taking of testimony should be shifted to the registrant.

An affidavit that the registrant has not abandoned the trade-mark is insufficient in the face of admission that the mark is not now in actual use. Inasmuch as the abandonment of a trade-mark is determined upon the intention of the party, the registrant should be required to file affidavits setting forth facts sufficient to overcome the abandonment consequent to his admission that the mark is not now used by him. All the facts which relate to the intention of the registrant to continue the use of the mark are within his own knowledge and under such circumstances, the registrant should not be called upon to present further proof on the question of abandonment. ⁽¹⁾

Where there is doubt as to the similarity between three trade-marks involved in an interference, if all parties agree that there is no interference in fact and unite in a motion to dissolve the interference upon that ground, the doubt should be resolved in favor of the parties to relieve them of the burden of a useless and unnecessary conflict. ⁽²⁾

(1) Adolph Frankau & Co., Ltd. v. Edmond C. Batchellor, January 25, 1911.

(2) W. B. Squibb & Co. v. Isaac Solomon, August 7, 1911.

When a motion to dissolve an interference is based upon the alleged descriptive character of the word "Sprudel" forming a common feature of the two marks, the motion should be denied where the descriptive character of the word is in doubt. Whether the spring from which the city of Carlsbad secures its supply of water was called Sprudel as a descriptive word, meaning spring, or whether the meaning of the word originated from the name of the spring itself, which has always been called Sprudel is not clear. (1)

Upon a motion to dissolve an interference in which it was claimed that the drawing filed with the application of one party shows only a fragment of its mark, the party was given fifteen days in which to file an affidavit to the effect that the whole of the mark claimed by it was shown in the drawing. Prior registrations of the applicant's mark show the representation of a mother elephant bathing her baby and the words "Rub-No-More." In the present application, the words were left out. The affidavit having been filed, the motion to dissolve was properly denied. Citing, *Planten v. Canton Pharmacy Co.*, 143 O. G., 113. (2)

Appeals

No appeal lies from the decision of the examiner of interferences overruling exceptions to an answer in a proceeding for cancellation of a trade-mark. (3)

There is no review, either by appeal or petition, of the decision of the examiner of interference, refusing to enter judgment on the record in a trade-mark interference. Such review must wait an appeal from the final decision. Citing, *Gem Cutlery Co. v. Leach*, 114 O. G., 2089; *Mulligan v. Tempest Salve Co.*, 119 O. G., 1924. (4)

(1) *City of Carlsbad v. Gerolsteiner Sprudel W. Casdendyck*, October 24, 1911.

(2) *Swan-Sullins-Brandau Co. v. Standard Soap Co.*, October 21, November 23, 1911.

(3) *Holland Rusk v. van Doesburg*, January 5, 1911.

(4) *Quaker City Flour Mills Co. v. Quaker Oats Co.*, October 30, 1911.

The Ten-Year Clause

It is well settled that if a mark is actually a technical trade-mark, the allegation of ten years' exclusive use in the declaration may be treated as surplusage. Therefore, in such a case, the question of exclusive use by the applicant during the ten-year period becomes immaterial, provided the applicant was the first to adopt and use the mark. Citing, *McIlhennys Son v. New Iberia Extract Co.*, 153 O. G., 547. ⁽¹⁾

When of two applicants for registration of a geographical term under the ten-year clause of the trade-mark act, neither can show exclusive use during the whole of the ten-year period, neither party is entitled to registration. ⁽²⁾

Amendment to Law of 1905

By amendment of March, 1907, a clause was introduced into Section 5 of the trade-mark law forbidding the registration of the emblems of fraternal societies. In this amendment, Section 5 as amended was repeated in full, including the reference in the ten-year clause to the use of a mark for ten years "prior to the passage of this act." This amendment did not change the date from which the ten-year period is to be computed from February 20, 1905, the time of passage of the original act to March 2, 1907, the date of passage of the amendment. The section was not re-enacted, but was only amended, and the intent to re-enact a prior law to leave this feature of the act unchanged, is clearly shown in the report of the house committee on patents, which reported a bill with two specific amendments and "no other changes."

In order, however, to remove the question thus raised the amendment of February 18, 1911, was passed removing the words "passage of this act" and substituting in place thereof the date of February 20, 1905. The report of the house committee on patents sets forth, that the purpose of the amendment is to make it certain that the original limitation in point of time shall not be affected by the amendatory act of 1907. ⁽³⁾

(1) *Brakeley v. Sears & Nichols Co.*, September 30, 1911.

(2) *Cloverdale Co. v. Belden*, April 17, 1911.

(3) *Ex parte, Draper Co.*, March 27, 1911.

The clause in the amendatory act of February 20, 1911, providing that nothing contained in the law shall prevent the registration of a mark otherwise registrable, merely because it is the name of the applicant, does not extend the statutory protection enjoyed after registration to the names of individuals and firms. In order to be registrable, the latter must still be shown in a distinctive form. The amendment was intended only to remove the prohibition against the registration of arbitrary words forming part of firm names. ⁽¹⁾

Motion to Suppress Testimony

When to determine the propriety of testimony introduced in rebuttal, it becomes necessary to consider the testimony in chief for the purpose of determining the relation of the one to the other, it is the settled practice to postpone consideration of the question until final hearing. A motion to strike out the testimony before a final hearing will be denied. Citing, *Knight v. Morgan*, 82 O. G., 187; *Talbott v. Monnell*, 98 O. G., 2965; *Hall v. Alvord*, 101 O. G., 1833; *Dyson v. Land*, 130 O. G., 1690; *Keith v. Lundquist*, 156 O. G., 798. ⁽²⁾

(1) Ex parte, Kakas-Compagnie Theodor Reichardt, September 23, 1911.

(2) *Oliver Chilled Plow Works v. William J. Oliver Mfg. Co.*, February 2, 1911.

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UNITED STATES CIRCUIT COURT OF APPEALS

LOVELL-McCONNELL MFG. CO. VS. AMERICAN EVER-READY CO.

(195 Fed. Rep., 931.)

Second Circuit, March 15, 1912.

UNFAIR COMPETITION—IMITATION OF GOODS.

The imitation of structural peculiarities of an article, not shown to be necessary to its commercial success and likely to cause confusion, constitutes unfair competition.

Appeal from an order of the district court for the southern district of New York, granting a preliminary injunction.

Henry D. Williams, for appellant.

Drury W. Cooper and *George C. Dean*, for appellee.

Before LACOMBE, COXE, and WARD, Circuit Judges.

LACOMBE, Circuit Judge.—This cause closely resembles *Rushmore v. Manhattan Works*, 163 Fed., 939, 90 C. C. A., 299, 19 L. R. A. (N. S.), 269, where this court considered a case of unfair competition in the sale of automobile lamps. The case at bar is concerned with automobile horns. The resemblance between complainant's and defendant's horns is very great. It is difficult to tell the one from the other without an inspection so

close as to read the inscription on the name plates. Under the principles of the Rushmore decision, such a manifest imitation in details of construction, with the consequent likelihood of confusion, should be prevented, unless the points of resemblance are the necessary result of an effort to comply with the physical requirements essential to commercial success. A majority of the court are not persuaded that the close resemblance between the two horns results from such an effort. The most characteristic feature is the "right-angled construction," referred to in the order. Possibly at final hearing defendant may be able to show that a commercially successful power-driven horn of this general type could not be made, unless the shaft which transmits the power is at right angles to the axis of the horn. But the record before the District Judge did not establish that proposition sufficiently to excuse the adoption of this feature of construction, which, probably more than any other single feature, makes the appearance of the two horns so nearly alike.

In the opinion of the majority of the court, the order for preliminary injunction should be affirmed.

UNITED STATES DISTRICT COURT

VEHICLE APRON & HOOD CO. v. AMERICAN TIRE & RUBBER CO.

(193 Fed. Rep., 372.)

Northern District of Illinois, March 12, 1912.

TRADE-NAME—USE BY ANOTHER IN TRADE CATALOGUES.

A dealer can not be restrained from using in his trade catalogues a cut showing the product of another, bearing the former's trade-name, so long as he keeps that product for sale. He may, however, be enjoined from substituting another article, when that advertised is ordered.

In Equity. On motion for a preliminary injunction.

George T. May, Jr. (Chester C. Shepherd, of counsel), for complainant.

Herbert Green, for defendant.

KOHLSAAT, Circuit Judge.—Motion for preliminary injunc-

tion, on bill to restrain unfair competition. It is charged in the bill, and established by the evidence, that complainant, a manufacturer of automobile accessories, has extensively manufactured, advertised, and sold tire covers, and for a number of years last past has applied the name "Gordon," as a trade-name, to certain tire covers of its manufacture, which have become generally, extensively, and favorably known to the trade and public as "Gordon" tire covers, by reason whereof complainant claims an exclusive right to the use of the name "Gordon," as applied to tire covers, as a trade-mark and trade-name.

It is further charged and proven that defendant, a dealer in automobile tires, casings and sundries, in a pamphlet or catalogue advertising its wares (which it issued and distributed among automobile owners), caused to be printed a cut of a tire cover like that of complainant. This tire cover, as illustrated, was distinctly marked with the name "Gordon." Accompanying the cut was printed matter calling attention to the low price at which the article was sold—which was less than the price at which complainant sold its "Gordon" tire covers.

In support of allegations of the bill, it has been shown by evidence that the president of complainant, John P. Gordon, having received through the mails from defendant company a copy of defendant's above-mentioned catalogue, instructed his manager, Hegelheimer, to send an order (as a purchaser for private use) for a "Gordon" tire cover. The order, referring to the catalogue and inclosing the price as listed, was sent. Defendant filled the order by sending a "Nathan" tire cover. No explanation accompanied the substitution.

Defendant does not deny complainant's exclusive right to the use of the word "Gordon" as applied to tire covers. Its explanation of the publication of the cut is that it and its predecessors had theretofore dealt in genuine "Gordon" tire covers of complainant's manufacture, and it had some on hand at the time of the publication of the catalogue, and had used the cut to advertise genuine "Gordon" tire covers of complainant's manufacture, without any intention of deceiving the public, or attempting to palm off other tire covers for the genuine "Gordon" tire covers of complainant, and has, in fact, not sold more than three

tire covers since the publication and distribution of the catalogue, and since the commencement of this suit (which was the first notice it has received that complainant considered the publication of the cut a violation of its exclusive right) has entirely desisted from sending out any of said catalogues.

Evidence of the good faith of defendant has not been successfully rebutted, and it appears from this evidence that complainant has suffered but slightly, if at all, by the unauthorized use of its trade-name. It is not contended that defendant should be enjoined from using the cut to advertise and sell genuine "Gordon" tire covers, nor is there any basis in the bill for contention that defendant may not rightfully fix its own selling price for genuine "Gordon" tire covers—even though, as suggested by counsel, incidental damage may result to complainant by an impression among dealers that complainant is showing favoritism by quoting lower prices to defendant.

It is very clear, however, that defendant can not be permitted, in its advertisements, by means of the quotation of a low price, to use complainant's trade-name as a bait to attract customers, and then, when "Gordon" tire covers are specified in an order, to substitute other tire covers. This is an illegitimate use of the good reputation of complainant's tire covers, which the court must enjoin.

In the case of *Enoch Morgan's Sons Company v. W'endover* (C. C.) 43 Fed., 420, 10 L. R. A., 283, complainants had a trade-mark in the word "Sapolio." When customers would ask for "Sapolio," defendant's salesman would, without explanation, deliver a soap called "Pride of the Kitchen." As in the case of the "Nathan" tire cover, the words "Pride of the Kitchen" were plainly marked on the article. The price was the same; but there was no attempt, by any simulation of size, shape, or color of package, to deceive the customer. Notwithstanding the total dissimilarity in name and style of package, it was held that the substitution amounted to an infringement of complainant's rights. The court said:

"That the act of the salesman in offering 'Pride of the Kitchen' in response to a demand for 'Sapolio' is, though done silently, a positively unlawful act, is clear. Its unlawfulness consists in an attempt to steal

away the business of complainant for the benefit of the manufacturers of 'Pride of the Kitchen.' It is clearly the object of the law of trade-marks to prevent this."

A more recent case applying the same principle is *Parkland Hills Blue Lick Water Company v. Hawkins*, 95 Ky., 502, 26 S. W., 389, 44 Am. St. Rep., 254.

That defendant, in at least one instance, substituted a tire cover not manufactured by complainant when a "Gordon" tire cover was asked for, is clearly shown.

It follows that, so long as defendant has genuine "Gordon" tire covers for sale, it can not be restrained from the use of the name in its catalogue; nor can it be restrained from selling genuine "Gordon" tire covers at any price it may see fit. An injunction, however, may issue, as prayed, restraining defendant from the use of the name "Gordon" in connection with any other than the genuine "Gordon" tire covers of complainant's manufacture, and (so long as it uses the name "Gordon," as applied to tire covers, in its catalogue or other advertisements) from substituting, or attempting to substitute, other tire covers when "Gordon" tire covers are ordered or requested.

YALE & TOWNE MFG. CO. V. RESTEIN, *et al.*

(196 Fed. Rep., 176.)

Eastern District of Pennsylvania, May 2, 1912.

TRADE-MARK—NAME OF PATENTED ARTICLE.

The name by which a patented article is known on the market during the life of the patent, becomes public property on the expiration of the patent, even though it be an arbitrary and fanciful name. The later user must distinguish his product from that of the original maker, but can not be enjoined from using the same.

In Equity. On final hearing.

Stevens Heckscher and Archibald Cox, for complainant.

A. B. Stoughton and William Gorman, for defendant Ford.

JOHN B. MCPHERSON, District Judge.—I can not distinguish this case from *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S., 169, 16 Sup. Ct., 1002, 41 L. Ed., 118, and similar decisions. The

"Triplex" block was patented in 1889, but, as the patent has now expired, the defendant had a lawful right to make the article. Moreover, as the word "Triplex" is not a descriptive, but an arbitrary, word, and is undoubtedly associated in the public mind with the patented article, the defendant had the right to use the word on the expiration of the patent, provided he took the proper care to prevent his own goods from being confused with the goods of the original manufacturer. This he has taken. He uses the word "Tribloc" instead of "Triplex," and (what is probably more important) he adds his own name as the name of the maker, and also the place of manufacture.

On the authority of the cases referred to, the bill must be dismissed, with costs.

THE COCA-COLA COMPANY V. NASHVILLE SYRUP CO.

Middle District of Tennessee, July 8, 1912.

1. TRADE-MARK—TEN-YEAR REGISTRATION—EFFECT.

It seems that the term "Coca-Cola" is not descriptive, but whether descriptive or not, a valid registration under the ten-year clause of the trade-mark act being shown, the term is entitled to protection, like any other valid trade-mark.

2. TEN-YEAR MARK—INFRINGEMENT.

The protection accorded to a descriptive or other mark registered under the ten-year clause of the act, is not confined to the particular form in which the mark is used by the registrant. Such a mark, registered and used in a hyphenated form, in script, is infringed by the use of the word in plain block type and without the hyphen.

In Equity. On final hearing.

Candler, Thompson & Hirsch and *Sizer, Chambliss & Chambliss*, for complainant.

W. R. Chambers, Jno. R. Poust, E. J. Smith, and Perkins Baxter, for defendant.

SANFORD, J.—The affidavits used on the application for a preliminary injunction have been by agreement used as evidence on this hearing, and the evidence is, therefore, with a slight addition, the same as that considered in determining said preliminary application.

After careful consideration of the argument of counsel and the briefs filed on this hearing, I have again reached the same con-

clusion as on the preliminary hearing, and must now conclude, for the reasons stated in the memorandum opinion of April 4, 1912, on said preliminary hearing, that the complainant has established a valid statutory trade-mark in the word or words "Coca-Cola" by evidence showing the actual and exclusive use of this mark by the complainant and its predecessors in interstate commerce, for ten years preceding the passage of the Act of February 20th, 1905, c. 592 (33 Stat., 724, 10 F. S. A., 408), and the registration of such mark by the complainant on October 31, 1905 in accordance with the provisions of Sec. 5 of said Act. In reaching this conclusion, I do not find it necessary to determine whether or not the compound name Coca-Cola is a descriptive name or merely suggestive of the ingredients, or purely arbitrary and fanciful, as applied to beverage syrups, or whether or not it could have been originally subject to appropriation by the complainant as a valid trade-mark. However, I think it clear that even if the separate words "Coca" and "Cola" have a distinct meaning, indicating the extract of coca and the extract of cola as distinguished from the cola nut and the coca leaf, the compound word Coca-Cola, consisting of two nouns, can not be properly said to be an exact description of the syrup manufactured by either the complainant or the defendant, since neither of these syrups is a compound composed either of the coca leaf or the cola nut, or of the extracts of cola and coca, but each is a compound, which among many ingredients contains some of the ingredients of the extract of coca, omitting cocaine, its most characteristic ingredient, and some of the ingredients of the extract of cola, including chiefly caffeine, which, while an important ingredient of the extract of cola, is not characteristic of the extract of cola in any distinctive sense, but is also found perhaps in greater degree in extras from coffee-beans and tea leaves; and, on the other hand, each of these syrups contains some ingredients not found in either cola nuts or coca leaves or the extracts of coca or cola.

The defendant, however, earnestly contends that the effect of Sec. 5 of the Act of 1905 is only to give validity to the registration of the actual mark which has been previously used as a trade-mark, and that the sole right that the complainant has

thereby acquired is the right to use the "mark" Coca-Cola, "meaning" as stated in its brief, "the script in which the word or words Coca-Cola is written, either in a hyphenated or unhyphenated form"; in other words, that the complainant by the registration of this mark under the Act of 1905 acquired merely the right to the exclusive use of the mark Coca-Cola in its script form and not a trade-mark in the use of the name Coca-Cola when otherwise written.

While this question presented is not free from some doubt, I am of the opinion that this section, when properly construed, does not confer merely the right to the use of the registered mark as a mark in the precise form in which it has been previously used, but that by registration of the mark under Sect. 5 of the Act, after ten years' prior exclusive use, such mark is thereafter given effect as a valid statutory trade-mark in all respects, entitling it to protection as any other statutory trade-mark, and not merely to protection as a mark in the precise form of its former use.

Section 5 of the Act of 1905 clearly contemplates that, except in the prohibited cases, a "mark by which the goods of the owner of the mark may be distinguished from other goods of the same class" may be admitted to "registration as a trade-mark." This necessarily implies that the "mark" when registered shall constitute a "trade-mark." And Sec. 29 specifically defines the term "trade-mark" as including "any mark which is entitled to registration" under the terms of the Act.

In *Thaddeus Davids Co. v. Davids*, (C. C. A., 2), 178 Fed., 801, 804, the Circuit Court of Appeals said, referring to the effect of Sec. 5 of the Act of 1905; "The Act makes a mark actually and exclusively used for the requisite period entitled to registration as a trade-mark. And if it is entitled to registration it is entitled to protection. We are unable to appreciate the distinction sought to be drawn by the defendant between the right to registration of a trade-mark and the right to protect it." It follows from this language, said Judge Hough, in *Thaddeus Davids Co. v. Davids* (C. C.), 190 Fed., 285, 286, *s. c.*, 1 Trade-Mark Reporter, 215, 216, "that since the 'mark' may be registered as a trade-mark and is entitled to protection, it is entitled to protection as

a trade-mark, which is equivalent to saying that it becomes a valid trade-mark by registration." And so in *American Lead Pencil Co. v. Gottlieb*, (C. C.), 181 Fed., 178, it was held that although the name "Beats All" was a descriptive phrase not subject to appropriation as a trade-mark, prior to the Act of 1905, the subsequent registration of such mark after ten years actual and exclusive use as a trade-mark, made these words available as a proper trade-mark, and entitled the complainant to an injunction against infringement by a competitor by the use of the word "Knoxall" as a trade-mark.

In the present case I think it clear that the "mark" which had been in prior use by the complainant for ten years, and which became a valid trade-mark by registration under the Act of 1905, was the compound word constituting the name "Coca-Cola," and not merely the particular script form in which this word was used as a label. In its application registered January 31, 1893, the complainant applied for a trade-mark on "the word or words 'Coca-Cola'" and in its application registered October 1, 1905, it again described the trade-mark as consisting "of the words Coca-Cola," without limiting the trade-mark in either application to any particular form of script or use. The term trade-mark "generally speaking, means a distinctive mark of authenticity," and "may consist in any symbol or form or words." *Elgin Watch Co. v. Illinois Watch Co.*, 179 U. S., 663, 673; *American Paint Co. v. Asphalt Co.*, 220 U. S., 446, 453. And a particular combination of words designating certain merchandise may be protected as a trade-mark. *Mcneaney v. Holt*, 128 U. S., 514. And so in the present case, I am of the opinion that the mark which the complainant had used and which it registered under the Act of 1905, consisted, as shown by its two applications, in its essence, in the particular combination or form of words constituting the name "Coca-Cola," and not in any particular script form of this name.

The complainant, therefore, having in my opinion a valid statutory trade-mark in the word "Coca-Cola," I am constrained to conclude that this trade-mark has been infringed by the defendant in the use of its labels, caps, etc., having the name Coca Cola printed thereon, although not in script, and in an unhyphen-

ated form, and accompanied by the word "Fletcher's" and containing other printed matter differing from that contained in the complainant's label, and in the use of this compound word Coca-Cola in its advertisements as a part of the name of the syrup which it has manufactured; and that the complainant is therefore entitled to a reference for an accounting of the damages which it has sustained by such infringement and to a permanent injunction restraining further infringement.

This conclusion is, in my opinion, in harmony with the current of authority upon the question of infringement of a trade-mark. When a name is used as a trade-mark, the use of a similar name likely to deceive the purchasing public is an infringement which will be enjoined as a violation of the trade-mark, though the defendant's label is in other respects different. *McLean v. Fleming*, 96 U. S., 244; *Battle v. Finley*, (C. C.), 45 Fed., 796, adopted and approved in *Battle v. Finley* (C. C.), 50 Fed., 106. Duplicity or exact imitation is not necessary to the infringement of a trade-mark. *Eagle White Lead Co. v. Pflugh* (C. C.), 80 Fed., 579. Thus when the complainant has acquired a trade-mark in the name "Hunyadi" for bitter waters commonly sold under the name "Hunyadi Janos," this trade is infringed by the defendant by the use of the name "Hunyadi Matyas." *Saxhner v. Eisner Co.*, 179 U. S., 19, 30. So the statutory trade-mark "Beats All" is infringed by the use of the name "Knoxall." *American Lead Pencil Co. v. Gottlieb*, *sup.* And in *2 Joyce on Injunctions*, 755, it is said: "Where a trade-mark consists of a word it may be used by the manufacturer who has appropriated it in any style or print or on any form of label, and its use by another in any form is unlawful. In such a case the goods become known by the name or word by which they have been designated, and not merely by the manner or fashion in which the word is printed or written, or its accessory circumstances and the unlawful use of the name or word in any form may be enjoined." See also, *Hutchinson v. Covert*, (C. C.), 51 Fed., 832; *American Tin Plate Co., v. Roller Mill Co.*, (C. C.), 158 Fed., 690; and *Gaines v. Leslie*, 54 N. Y. Supp., 421; and *Coca-Cola Co. v. Deacon Brown Bottling Co.*, U. S. District Court West. Dist. Ala.

The conclusion that the complainant's trade-mark in the word "Coca-Cola" is infringed by the defendant by the use of this word, in its unhyphenated form, as part of the name of its syrup, is not, as I view it, necessarily in conflict with the opinion in *Thaddeus Davids Co. v. Davids*, (C. C. A., 2), 192 Fed., 915, in which, as I find since writing my former memorandum opinion, the Circuit Court of Appeals reversed the decree of the Circuit Court in 190 Fed., 285, and held, Judge Noyes dissenting, that the complainant's statutory trade-mark in the single word "Davids" as applied to inks, which had been upheld by the Court in 178 Fed., 801, was not infringed by the use of the name of one of the defendants, "Courtland I. Davids," on top of the defendant's labels or the use of the name, "Davids Manufacturing Company," under which the defendants were trading, at the bottom of their label. While this conclusion seems to have been largely reached as a result of the concession made by the complainant that the defendant Davids had the right to use his own name on the labels, though not at the top, the material distinction between the Davids case and the case at bar is, I think, this: that in the Davids case the defendants were not using the word "Davids," in which the complainant had a statutory trade-mark, as the name of their inks, or as a part of such name—it not appearing that their goods were labeled "Davids" inks—but were merely, under whatever name their inks were sold, placing on the labels their own names as indicating apparently, the names of the manufacturers. In the present case, however, the defendant has incorporated in the name of its compound, as appearing on its labels and elsewhere, the very mark, to wit, the word "Coca-Cola" in which complainant has acquired a valid trade-mark, and such incorporation, as part of the name of the defendant's syrups, of this very mark in which the complainant has acquired a statutory trade-mark must, I think, be deemed a violation of the complainant's trade-mark in this word, even though the complainant's trade-mark should be deemed limited, in accordance with the doctrine of the Davids case, to the very word "Coca-Cola" itself. In the Davids case, the defendants had apparently not used on their labels the complainant's trade-mark "Davids" as a part of the name of their inks; hence I do not think this case can properly

be regarded as supporting the proposition that where the complainant has acquired a valid trade-mark in a mark, consisting of a word used as the name of certain goods, the defendant can escape infringement when it uses substantially this identical word itself as a part of the name of its own goods and incorporates this very word, with merely the omission of a hyphen, in the name of its goods, upon its labels and elsewhere; or that, if it is to be so regarded, it can be reconciled with the decision of the Supreme Court in *Saxlehner v. Eisner Co.*, *supra*.

Without determining the question in this case arising in reference to the alleged unfair competition, irrespective of the question of trade-mark, a decree will accordingly be entered adjudging the validity of complainant's trade-mark in accordance with this opinion, referring the cause to a special master for the ascertainment of damages and permanently enjoining the continued infringement thereof. Such injunction, however, will be conditioned upon the execution by the complainant of an injunction bond, with sureties approved by the clerk of this court in the same amount and conditioned in an analogous manner to the bond required on the application for a preliminary injunction. See on the question of stipulated damages in such bond in addition to the cases cited in the former opinion, *City of Grand Rapids v. Warren Bros.*, decided by the Circuit Court of Appeals for the Sixth Circuit, May 15th, 1912.

NEW YORK MACKINTOSH COMPANY V. ISAAC FLAM, *et al.*

Southern District of New York, July 18, 1912.

1. TRADE-MARK—TEN-YEAR REGISTRATION—EFFECT.

It seems that the word "Bestyette" is not a descriptive term, as applied to rain capes. However that may be, its registration under the ten-year clause of the trade-mark act requires that it be recognized as a valid trade-mark.

2. INFRINGEMENT—CONFLICTING MARKS.

The mark "Bestyette" is not infringed upon by the use of the word "Veribest" on the same goods.

3. TRADE-MARK—VALIDITY.

The representation of a girl wearing a rain cape is a valid trade-mark for that article and is infringed by any picture so like thereto as to be likely to be confused with it.

4. REGISTERED MARK—INFRINGEMENT.

A registered mark is not infringed by the unauthorized use of a reproduction thereof on letter heads, bill heads, and business papers.

In Equity. On final hearing.

Joseph L. Levy, for complainant.

Bernard Cowen, for defendant.

HOLT, J.—This suit is brought to restrain the alleged infringement of two trade-marks. The complainant is a manufacturer of ladies' and girls' waterproof cloaks and capes. In 1907 the complainant registered in the Patent Office, as a trade-mark to be used on clothing, the word "Bestyette," and in 1910 it registered as another trade-mark a picture of a girl wearing a rain cape. The proof shows that the complainant since 1904 [1894] has used the mark Bestyette by attaching to a certain class of rain capes a woven or printed label on which the word is shown, and since 1908 has used the pictorial mark by printing it on the boxes containing the goods and by tagging to the goods a printed label bearing such picture. The defendants are engaged in the same business as the complainant in the manufacture of rain coats and capes. They make similar goods, and have attached to their capes the word "Veribest" as a trade-mark, and have had printed and used, upon certain business cards, billheads and order forms, copies of the complainant's pictorial trade-mark.

The bill, in addition to allegations of the infringement of the trade-marks, contains allegations of unfair competition in trade. But as all the parties to this suit are citizens of New York, this Court has no jurisdiction of a suit between them on the ground of unfair competition, and the complainant's counsel did not, on the hearing or in the brief submitted, claim to recover on that ground. It should therefore be clearly apprehended, at the outset, that the sole question in this case is whether the complainant's trade-marks have been infringed.

The defendants claim, in the first place, that the complainant's trade-mark Bestyette is invalid because the word is simply descriptive of the character or quality of the goods. Undoubtedly if the complainant had attached to its goods the sentence "These rain capes are the best yet made," or some contracted form of such sentence, as, for instance, "Best rain capes yet made," or "Best yet made," or "Best yet," the statement would be simply descriptive and the usual commendation of a vendor, and could

not be a valid trade-mark. Bestyette, when spoken, sounds the same as Best Yet; and undoubtedly the claim that it is merely a descriptive word has much weight. But, in trade-marks, the impression produced on the sight of the buyer is the main thing; and, upon the whole, I think that the compounded and fantastically spelled word Bestyette is sufficiently distinctive to be a trade-mark. Moreover, the evidence shows that it was used exclusively by the complainant more than ten years before registration; and therefore the provisions of Section 5 of the Trade-Mark Act of 1905 apply that, in such a case, the fact that the term was originally descriptive does not prevent registration.

The defendants also claim that, assuming that the word Bestyette can be a valid trade-mark, their use of the word Veribest for their trade-mark does not infringe it. I think it clear that no dealer can be prevented from asserting, by an advertisement printed on the goods or in any other manner, that his goods are the best, or the best yet, or the very best. If the word best is included in a queer compound word oddly spelled, used as a trade-mark, that does not prevent other dealers from using the same word in the same way, so long as the word first created is not imitated too closely. The question therefore comes back to the usual one in trade-mark cases: does the defendants' trade-mark imitate the complainant's so closely as to deceive the public into supposing that they are purchasing the complainant's goods when purchasing the defendants'? In all this class of cases, undoubtedly, regard must be had to the fact that many of the public are hasty, heedless and easily deceived. But, after all, the question in all such cases is, would the public actually be deceived. Each case must be determined on its own facts; but, in this case, I can not believe that any one, seeing the label Veribest on a cape, would believe it to be the Bestyette cape because of such label. The similarity of the capes in shape, style and color might lead to such belief, but the trade-mark alone, it seems to me, would not. The case brought by the complainant in this court against Wangrow, in which it was held that the word "Bestever" infringed "Bestyette," differs essentially, in my opinion, from this case. The words Bestyette and Bestever begin alike and look much alike, and I entirely concur in the decision of that case, but the

decision reached in that case does not seem to me to require a similar decision in this case. The just rights of the owners of trade-marks should be upheld, but, in deciding such cases, the importance of maintaining the general freedom of trade should not be overlooked.

The defendants claim also that the complainant's pictorial trade-mark is invalid. They assert that it is merely a picture of the article sold. Undoubtedly a mere picture of an article of merchandise can not be made a trade-mark to be attached to such article. Such a trade-mark is prohibited from registration by Section 5 of the Trade-Mark Act as a "device descriptive of the goods." Nor, in my opinion, can a garment maker, by adopting, as a trade-mark, a picture of a person wearing a garment, prevent other dealers from adopting a similar trade-mark, provided it is not so close an imitation as to naturally lead to confusion. It is the common practice of dealers in clothing to advertise their goods by pictures of persons wearing them, and no one, under the guise of adopting a trade-mark, can obtain the exclusive right to such pictures. But, while the question here is again a close one, I think that the complainant's picture is sufficiently distinctive to be a valid trade-mark. The defendant's picture on their cards, letterheads and orders is an exact copy of it. They could have adopted a picture of a girl wearing a rain cape without copying the complainant's picture. But their picture is such a complete reproduction of the complainant's trade-mark that it would clearly have infringed it, if it had been attached to the defendants' capes or to the boxes in which they were shipped. But the difficulty with this branch of the case is that there appears to be no proof that it was so attached. On the hearing, after inspecting the pictures on the defendants' business papers and perceiving that they were literal copies of the complainant's trade-mark, and assuming that the defendants tagged the same picture to their goods and boxes, I was of opinion that the trade-mark was infringed. But on a careful examination of the record I find no proof that the defendants ever used the picture as a trade-mark. A trade-mark is something attached to the goods or the receptacles containing them which the buyer sees and by which the goods become known to the buyer. It seems strange that the

defendants should have copied this trade-mark on their business papers and should have abstained from attaching it to their goods, but such a use of it on their business papers, while affording strong proof of unfair competition in trade, is, in my opinion, no proof of infringement of the trade-mark.

There is obviously much in this case to suggest an intentional and close imitation of the complainant's goods and business methods by the defendants. The complainant put on the market a rain cape distinctive and attractive in style and color. The defendants exactly imitate it. But there is no law which prevents any one from making clothes like another. If a tailor, or dress-maker, or garment maker of any kind creates a novel and attractive garment any rival can copy it. The devising the word Veribest as a trade-mark was probably suggested by the complainant's trade-mark Bestyette; and I have no doubt that the defendants directly copied the complainant's pictorial trade-mark in the picture on their business papers. The question of unfair competition is not before me; if the complainant thinks it exists, it has a remedy by suit in the state courts. The sole question here is whether the defendants have infringed the complainant's trade-marks. I can not see that they have.

A decree is directed for the defendants, but, under all the circumstances of the case, without costs.

[On the last point, see *Diederich v. W. Schneider Wholesale Wine & Liquor Co.*, Reporter, Vol. II, p. 265.]

SUPREME JUDICIAL COURT OF MASSACHUSETTS

COUNCIL OF JEWISH WOMEN, *et al.* v. BOSTON SECTION, COUNCIL OF JEWISH WOMEN, *et al.*

(98 Northeastern Rep., 862.)

May 27, 1912.

UNFAIR COMPETITION—TRADE-NAME—BENEVOLENT CORPORATION.

A corporation organized for benevolent purposes, can not enjoin from the use of its name another like corporation, formed with its consent, under the laws of another state, and which has voted to sever its connection with the parent body.

Appeal from decree sustaining demurrer and dismissing bill. County of Suffolk.

The complaint alleged the plaintiff's organization under the laws of New York for the incorporation of benevolent corporations, and the defendant's incorporation under similar laws in Massachusetts, subordinate to plaintiff; that at a meeting of the defendant corporation, called with insufficient notice, those present, about one-fifth of the membership, voted to withdraw from the national body. The complainant prays that the defendant be enjoined from using the name "Boston Section, Council of Jewish Women," or similar name, and for other relief.

Edward F. McClennen, for appellants.

Lee M. Friedman and Philip Rubenstein, for appellees.

SHELDON, J.— * * * Any rights of the plaintiff against the defendant are of a contractual nature, and spring out of a voluntary relation, which can be altered or annulled at the will of either party, subject only to the ordinary remedies available against any one for a breach of contract or the violation of a duty. This is the principle of the decisions in somewhat similar cases. *McFadden v. Murphy*, 149 Mass., 341, 21 N. E., 868; *Kane v. Shields*, 167 Mass., 392, 45 N. E., 758; *Sabourin v. Lippe*, 195 Mass., 470, 81 N. E., 282; *Attorney General v. N. Y., N. H. & H. R. R.*, 197 Mass., 194, 83 N. E., 408; *Rudolph v. Southern Beneficial League*, 23 Abb. N. C., 199, 7 N. Y. Supp., 135; *Kern v. Arbeiter Unterstuetzungs Verein*, 139 Mich., 233, 102 N. W., 746. It is the doctrine that runs through the cases from New Jersey that have been cited in argument. *Altmann v. Benz*, 27 N. J. Eq., 331; *National Council of Jr. O. U. A. M. v. State Council of Jr. O. U. A. M.*, 64 N. J. Eq., 470, 53 Atl., 1082, and 66 N. J. Eq., 429, 57 Atl., 1132; *State Council v. National Council*, 71 N. J. Eq., 433, 64 Atl., 561.

The averments of the bill do not show that the defendant has received any money in trust for the plaintiff within the rule stated in *National Council v. State Council*, 64 N. J. Eq., 470, 53 Atl., 1082. Nor is any such fraudulent intention averred as was found to exist in *International Committee of Young Women's Christian Association v. Young Women's Christian Association*, 194 Ill., 194, 62 N. E., 551, 56 L. R. A., 888.

The name of the defendant corporation appears to have been

assumed without objection from any one. It is now too late to make such objection under R. L. c. 109, § 8, or under any other statutory provision which has been called to our attention. We can not enjoin it from continuing to use that name.

The decree sustaining the demurrer and dismissing the bill with costs must be modified by adding the costs of the appeal, and so modified must be affirmed.

SUPREME COURT OF MICHIGAN

PEOPLE'S OUTFITTING CO. v. PEOPLE'S OUTLET CO.

(136 Northwestern Rep., 599.)

May 31, 1912.

UNFAIR COMPETITION—TRADE-NAME—DEMURRER.

A bill of complaint alleging the complainant's incorporation and business, the subsequent incorporation of the defendant for the same business purpose, and resulting confusion arising from the similarity of the names, states a good cause of action.

Appeal from circuit court, Wayne County, sitting as a court of chancery.

Bernard Goldman (Leo M. Butzel, of counsel), for appellant.
Lucking, Emmons & Helfman, for appellee.

Before MOORE, C. J., and McALVAY, STEERE, BROOKE, BLAIR, STONE, and OSTRANDER, JJ.

MOORE, C. J.—The defendant interposed a demurrer to the complainant's bill of complaint. From a decree overruling the demurrer, the defendant has brought the case here by appeal.

We quote from the bill of complaint as follows:

"(1) That your orator is a Michigan corporation duly organized under the laws of the state of Michigan and pursuant to Act No. 232 of the Michigan Public Acts of 1885 and the laws amendatory thereto. That your orator was incorporated in August, 1893, 'to sell and deal in, at wholesale and retail, house furnishing goods and general merchandise.' That continuously since said time your orator has been engaged in said business.

"(2) That the said defendant, the People's Outlet Company,

was organized under the laws of the state of Michigan and pursuant to Act No. 232 of the Public Acts of 1903 and the laws amendatory thereto. That said defendant was incorporated in July, 1910, 'to buy, sell and deal at wholesale and retail in general merchandise, dry goods, notions, shoes, clothing, and all other goods to such business belonging.' * * * That since October 1, 1910, the said defendant has been and now is engaged in the retail business at 156 Gratiot Avenue, Detroit, Mich., handling, selling, and dealing in clothing, shoes, and ladies' ready-to-wear goods. * * *

"(4) That since its organization your orator has been and now is engaged at Detroit, Mich., in a furniture and house furnishing business. That it deals in furniture, carpets, rugs, stoves, jewelry, crockery, draperies, curtains, dry goods, ladies' wearing apparel, and general merchandise. That your orator has for upwards of 15 years last past operated a large retail furniture and house furnishing business in a large five-story building and basement situated on the corner of Rowland Street and Michigan Avenue, Detroit, Mich., and that it has also for several years last past operated a large mail order department in said city which is now situated on the West Grand Boulevard in said city of Detroit, and that your orator employs 250 men and women in said city in its retail and mail order business, and receives daily thousands of letters.

"(5) That your orator has spent and is spending many thousands of dollars in advertising its business, and that the name of your orator and the exclusive right to the use thereof has become a valuable property right, built up at a large expenditure of money and worth thousands of dollars to your orator.

"(6) That on or about September 1, 1910, your orator learned of the organization of the said defendant company, and anticipating that the similarity of names between your orator and the defendant would lead to uncertainty and confusion in the minds of the public, your orator caused its attorney, Harry Helfman, to call upon the said defendant."

The bill of complaint then recites the efforts made to induce defendant not to use the name taken by it.

"(9) Your orator avers that it refused to pay said sums and

protested against the continued use of the name of the said defendant and caused its attorney to notify the said defendant that in due time your orator would file a bill in equity against the said defendant to restrain and prevent the use of the said name.

"(10) Your orator further avers that it contemplates engaging in the clothing business in the near future and instructed its attorney to so inform the defendant, and your orator charges the fact to be that its attorney did so inform the defendant during said negotiations.

"(11) Your orator shows that almost daily since the middle of September, 1910, your orator has been put to considerable trouble, annoyance, uncertainty, and confusion on account of the similarity of the said names of your orator and the said defendant, which had arisen in a variety of different ways, *viz*: (a) The various railroads, express companies, and navigation companies in the city of Detroit have confused the said names of your orator and said defendant. That your orator has been notified repeatedly by said railroad companies to call at their depots in order to take away merchandise alleged to have been consigned to your orator, and your orator would send its drivers to the depots and then learn that the freight in question was consigned to the defendant. That your orator was also notified by the navigation companies to take away freight alleged to have been consigned to it, but upon arrival of your orator's drivers at the wharves or docks, the said drivers would be informed that the said merchandise was intended for the People's Outlet Company. That boxes of shoes, boxes of clothing, etc., have actually been hauled by your orator's drivers to your orator's store before the mistake was discovered. That express companies have made similar mistakes. (b) That almost daily your orator receives mail intended for the People's Outlet Company, and only after considerable trouble is the fact discovered that the mail was not intended for your orator. That your orator has received bills from creditors of the said defendant, demands for money, statements of account, bills of lading, notice to make payments, invoices, letters of various characters, which upon investigation, after considerable trouble your orator has learned were intended for the said defendant. That said letters would

come not only from Detroit, but from New York City and elsewhere. That in view of the large mail order business of your orator, the confusion of mail is a serious matter and works much damage and annoyance to your orator. (c) That your orator has been called upon the telephone repeatedly by persons who desire to interview the People's Outlet Company. (d) That your orator keeps its bank accounts at the First National Bank in Detroit, Mich., and the said defendant likewise keeps an account at said bank. That on one occasion your orator was notified by the said bank to pay a note alleged to be due from your orator to the said bank, and after considerable inquiry and correspondence it was discovered that the said obligation was due from the said defendant to the said bank and not from your orator.

“(12) Your orator says that it did not file this bill of complaint before this date because your orator was advised by its solicitors to await a reasonable length of time until it could be demonstrated by actual experience whether or not the names of your orator and said defendant were so similar as to result in confusion and uncertainty, and for that reason only has your orator waited until this time, and that in the meantime your orator has protested to the attorney for said defendant against the use of the said name and has told the said attorney that in due season your orator would file this bill. That your orator is without adequate remedy at law and must forever lose its just claim and suffer great and irreparable damages to the extent of, to wit, thousands of dollars, unless relieved by a court of equity.

“Your orator therefore prays: (a) That the defendant, the People's Outlet Company, appear and answer this bill of complaint, but not under oath; answer under oath being hereby expressly waived. (b) That the said People's Outlet Company be restrained by an order of this court, and that a temporary and permanent injunction be issued herein, restraining the said defendant, its officers, agents, and employes, from using the name 'People's Outlet Company,' until the further order of this court. (c) That your orator may have such other and further relief as to the court shall seem meet and agreeable to equity.”

The material parts of the demurrer are as follows: “(1) Because under the facts and averments set forth in complainant's

bill, the defendant, People's Outlet Company, is legally and equitably entitled to the use of its corporate name, to wit, 'People's Outlet Company.' (2) Because the word 'People's,' used in connection with the corporate name of defendant, People's Outlet Company, is such a general term of description as not to entitle the complainant to the monopolization thereof. (3) Because the said bill does not show that the complainant has any interest in the subject-matter thereof. (4) Because by the averments of the bill, the parties not being engaged in competing business, the complainant is entitled to no relief. (5) Because the word 'People's' is part of the English language, and complainant has no capacity to appropriate its use to the exclusion of any other portion of the public, natural or corporate. (6) Because the complainant has at best only a theoretical right to prevent defendant from using the name adopted by it, in case of unfair practices, and the bill does not so claim or allege, and in fact disproves such existing claims."

It is not necessary to cite any authorities upon the proposition that the demurrer admits the truth of the averments in the bill of complaint. A reference to these averments shows that reasons 3 and 4 are not well taken. The other reasons may be considered together. Counsel say: "That the word 'People's' used in connection with and as a part of the corporate name of defendant is a generic term, and is not subject to monopolization by complainant. * * * That the bill does not allege unfair trade practices, and in fact by implication refutes any such claim. * * * The tests applied by all the authorities in this class of cases are: Is the corporate, or trade, or fictitious name simulated? Is the name assumed or adopted false in fact? Is it used in connection with locality or other representations so as to convey the impression that the business is the continuation of an old business, or the business of complainant?"

The complainant is not complaining simply because of the use of the word "People's" and "Company," but it is complaining of the use of those words as arranged in the name of the defendant corporation, claiming the result is so similar to the name of the complainant as to be misleading in fact, in the actual business life of the complainant.

The solicitors for defendant, in support of their contention which we have already quoted, cite many cases which relate simply to trade-marks, and which we think do not apply to the instant case. They cite and rely upon the following Michigan cases: *Williams v. Farrand*, 88 Mich., 473, 50 N. W., 446, 14 L. R. A., 161; *Supreme Lodge K. of P. v. Improved Order K. of P.*, 113 Mich., 133, 71 N. W., 470, 38 L. R. A., 658; *Michigan Savings Bank v. Dime Savings Bank*, 162 Mich., 297, 127 N. W., 364, 139 Am. St. Rep., 558.

The first named of these cases does not deal with a dispute between corporations, but with one between partners, some of whom bought out the others; the retiring copartners having organized a new business. In the case in 113 Mich., 71 N. W., this court adopted as its own the opinion of Judge Carpenter, in which opinion he used the following language: "The correct principle is stated in complainant's brief (page 71) as a quotation from the opinion of Judge Foster, of the superior court of Vanderburgh County, Ind., rendered in the suit of *St. George Lodge, K. of P. v. Rosenthal, et al.*: 'Where a corporation has appropriated and used a name for such length of time as to become identified by the name, and has established a character and reputation under it, it is a fraud upon the corporation and the public if this name be assumed by others under such circumstances as would lead the public to believe that they constitute the original corporation, and where injury will result to the corporation on account thereof, courts of equity will, at the suit of the injured parties, by injunction restrain the further perpetration of the wrong. It is the special injury to the party aggrieved and the imposition upon the public that constitute the wrong which the courts will redress. It is not necessary that the wrong should be intentionally committed. It is enough that the name should be used under such circumstances as would lead the public to believe that the latter organization was the former, and thereby cause injury to the former corporation.' Where one uses the name of another for the fraudulent purpose of attracting to himself business which belongs to that other, no injustice will be done if the court assumes that the name chosen accomplishes this purpose, even though the resemblance be not great.

If one intends that the name he has chosen shall be believed to be that of another, it is fair to infer that he will so use that name as to promote the desired belief. Accordingly, we find that the motives with which a name is chosen, and the circumstances attending its use, as well as the similarity of names, have a bearing in determining whether business is liable to be diverted, and consequently whether the courts shall interfere."

In *Michigan Savings Bank v. Dime Savings Bank*, *supra*, Justice Ostrander, speaking for the court, among other things said: "So Act No. 232, Pub. Acts 1903, in section 2 thereof, relating to names to be assumed by corporations, contains the proviso that 'no name shall be assumed already in use by any other existing corporation of this state, or corporation lawfully carrying on business in this state, or so nearly similar as to lead to uncertainty or confusion.' Courts of equity are frequently called upon to remedy conditions which grow out of the use by a corporation of a name similar to the name of another corporation, carrying on a business of the same character. In such cases it is usually, if not always, true that relief is granted because experience has demonstrated that the public is misled, and the corporation first established is defrauded on account of the similarity of the names. We assume that the statutes referred to were intended to prevent, to some extent, the conditions which in such cases, when they arise, make a resort to the courts necessary. In this view of the legislation, in its enforcement by the courts as a preventive measure, it is necessary to consider, in advance of a demonstration based upon experience, and in a case where neither corporation has, or can acquire, the general right to an exclusive use of the words employed in the name, whether it is likely that the public will be misled, and whether the complaining corporation is likely to be injured. It is evident that experience, not in the particular case, but in other cases, must still be employed in determining the fact, and that mere conjecture that some confusion may result is not ground for granting equitable relief. We may also consider that if relief is refused and conjecture is in actual experience made fact, the complaining corporation may have its remedy."

In *Knit Goods Co. v. Glove & Mittcn Co.*, 120 Mich., 159, 78 N. W., 1072, 44 L. R. A., 841. Justice Montgomery said, among other things: "In the present case the testimony shows that dealers have been misled, and in view of the fact that the complainant's business is largely the manufacture of gloves and mittens, and that the name 'Lamb' is prominent in the corporate name, we think it is likely to mislead. The case is very similar to *Chas. S. Higgins Co. v. Higgins Soap Co.*, 144 N. Y., 462 43 Am. St. Rep., 769. In that case the complainant's name did not describe its business. The business was, in fact, the manufacture and sale of soap. The court restrained the defendant from carrying on the business in the name of the Higgins Soap Company. The court held that, even if the name was assumed in good faith, without design to mislead the public and acquire the complainant's trade, the defendant, knowing the facts, must be held to the same responsibility. See, also, *Holmes, Booth & Haydens v. Holmes, Booth & Atwood Mfg. Co.*, 37 Conn., 278, 9 Am. Rep., 324; *Meyers v. Buggy Co.*, 54 Mich., 215, 52 Am. Rep., 811; *Frazes v. Lubricator Co.*, 121 Ill., 147, 2 Am. St. Rep., 73; *Pillsbury v. Flour Mills Co.*, 12 C. C. A., 432, 64 Fed., 841; *Walter Baker Co. v. Baker* [C. C.], 87 Fed., 209."

Applying these principles of law to the case stated by the bill of complaint and admitted to be true by the demurrer, we think the complainant has stated a case for relief. See, also, *Finney's Orchestra v. Finney's Famous Orchestra*, 161 Mich., 289, 126 N. W., 198, 28 L. R. A., (N. S.), 458.

The decree of the court below is affirmed with costs. Defendant is given 20 days in which to answer.

COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

H. BECKER & COMPANY V. C. A. GAMBRILL MANUFACTURING
COMPANY

(179 O. G., 1111.)

April 1, 1912.

1. GEOGRAPHICAL TERM—"ORANGE GROVE."

The words "Orange Grove" are geographical, and therefore not registrable as a technical trade-mark.

2. TEN-YEAR MARK—EXCLUSIVE USE.

Use by the appellee of the geographical term "Orange Grove" not being exclusive during the ten years next preceding the passage of the Trade-Mark Act, it is not entitled to register the same.

Mr. Arthur v. Briesen, for the appellant.

Mr. Arthur Steuart and *Mr. J. E. Cross*, for the appellee.

VAN ORSDEL, J.—This is an appeal from a decision of the Commissioner of Patents granting appellee company priority of use and registration of a trade-mark for flour, consisting of the words "Orange Grove," together with a pictorial representation of a twig bearing two oranges.

Appellee made application for the registration of its mark under the ten-year clause (Sec. 5) of the Trade-Mark Act of February 20, 1905. It was thrown into interference with appellant's mark "Orange Mills," registered in 1881. On hearing, appellant directed its testimony to combating the right of appellee to register its mark, on the ground that it had not enjoyed exclusive use for the ten-year period. The Commissioner of Patents, however, held appellee's mark to be a technical trade-mark, and that its use antedated appellant's use of its mark, and awarded priority and registration to appellee.

Counsel for appellant strenuously urges that inasmuch as appellant was cited into the Patent Office to combat appellee's right to registration under the ten-year provision, and as that was the issue to which its testimony was directed, the finding is at variance with the pleadings and the evidence, and can not, therefore, be sustained. We think, however, that the case can

be disposed of without reference to this feature of the controversy.

An interference was declared under Section 7 of the trade-mark law, which provides that—

whenever application is made for the registration of a trade-mark which is substantially identical with a trade-mark appropriated to goods of the same descriptive properties, for which a certificate of registration has been previously issued to another, * * *, he (the Commissioner) may declare that an interference exists.

In granting the interference the Commissioner recognized that the marks were “substantially identical.”

The dominating feature of both marks is the word “Orange.” The pictorial representation of the twig and the two oranges tends to emphasize the word “Orange” as the striking feature of appellee’s mark. Flour bearing either of the marks would soon become known to the trade as the “Orange Brand.” Stencils used by appellee in marking barrels were exhibited, which omitted the twig and oranges, indicating that these were not regarded by it as essential features of its mark.

The word “Orange” and the words “Orange Grove” are geographical, and not subject to registration as technical trade-marks. In fact, appellee’s mill is located at Orange Grove, Md. This narrows appellee’s right to registration to the ten-year clause of the Trade-Mark Act. It failed to establish exclusive use as against appellant, for the ten-year period prior to the enactment of the present law, and is, therefore, barred from registration.

This sufficiently disposes of the appeal. The decision of the Commissioner of Patents is reversed, and the clerk is directed to certify these proceedings as by law required.

SEARS AND NICHOLS COMPANY V. BRAKELY

(180 O. G., 882.)

April 1, 1912.

I. DESCRIPTIVE TERM—“EVERGREEN” FOR CANNED FRUIT AND VEGETABLES.

The word “Evergreen” as applied to canned fruits and vegetables *Held* descriptive, and therefore not registrable as a technical trade-mark.

2. OPPOSITION—CONTEMPORANEOUS USE DURING TEN-YEAR PERIOD.

The registration of the word "Evergreen" as applied to canned fruits and vegetables is properly refused registration, since this mark is descriptive of the goods, and the record shows that the opposer had also used this mark on the same goods during the ten-year period.

Mr. H. C. Underwood, for the appellant.

Mr. C. H. Howson, for the appellee.

SHEPARD, C. J.—The Sears and Nichols Co. applied for the registration of a trade-mark for canned fruits and vegetables, consisting of the word "Evergreen." The sample label filed shows the word "Evergreen" over a representation of green string-beans and accompanied by another representation of a field of green growing vegetables.

Opposition was filed by Arthur Brakely, representing that he was engaged in packing and selling canned vegetables, grown by himself, and that in July, 1897, he used the word "Evergreen" affixed as a mark to cans and packages of green peas. That the same mark has been continuously used since and it is not true that applicant has had exclusive use of said mark upon canned vegetables. That as he has established a valuable good will in the business of packing and selling peas under said mark and brand, he will be seriously damaged by the registration of said trade-mark by the applicant.

The testimony shows that Brakely had commenced the packing and sale of canned peas, with said brand affixed, in July, 1897; that he had sold his goods with that brand in New Jersey and Pennsylvania; and that he had continued to use the same mark. Applicant's testimony showed that it, and its predecessor from whom the mark had been acquired had used the word on its canned goods since some time prior to the year 1888.

Registration was rightly denied as a technical trade-mark, because the word "Evergreen," as used, is clearly descriptive. (See *in re Meyer Bros. Coffee and Spice Co.*, 179 O. G., 579, and the cases therein cited.)

Nor is the mark entitled to registration under Section 5 of the Trade-Mark Act by virtue of actual and exclusive use of the mark for two years prior to the adoption of the act, for the testi-

mony shows that such use was not exclusive. (*Worcester Brewing Co. v. Reuter and Co.*, 30 App. D. C., 428-431.)

The decision is right, and will be affirmed. The clerk will certify this decision to the Commissioner of Patents.

COMMISSIONER OF PATENTS

GOEBEL & SONS GROCER COMPANY V. JOHNSON

(180 O. G., 880.)

June 4, 1912.

INTERFERENCE—MOTION TO DISSOLVE.

A motion to dissolve, based on the ground that the date of adoption and use alleged by one of the parties was subsequent to that of the registration of H and G. *Held* properly refused transmission in view of the fact that an interference between the application of this party and the registration of H. and G. had been finally decided in favor of the former.

Mr. Emil Starek, for Goebel & Sons Grocer Company.

Messrs. Mason, Fenwick & Lawrence, for Johnson.

TENNANT, Assistant Commissioner.—This is an appeal by Goebel & Sons Grocer Company from a decision of the Examiner of Interferences refusing to transmit a motion to dissolve the interference upon the ground that the senior party is not entitled to registration.

It is alleged in the motion to dissolve that—

the mark has been previously registered in connection with goods of the same descriptive properties to Huntoon and Gorham, September 18, 1894, No. 25,254, who allege an adoption and use at a date subsequent to the date of the moving party, but prior to the date of the senior party to this interference. The date of Huntoon and Gorham certificate is prior to the date of adoption and use alleged for the mark of the senior party, Grafton Johnson.

The records of this Office show that in an interference proceeding had between the registration of Huntoon and Gorham and the application of Grafton Johnson, above referred to, Johnson was adjudged to be entitled to register his mark notwith-

standing the prior registration of Huntoon and Gorham, and this adjudication has become final. The grounds for Goebel & Sons Grocery Company's motion for dissolution are therefore without standing.

The decision of the Examiner of Interferences refusing to transmit the motion to dissolve is right and is affirmed.

LEVERING COFFEE COMPANY v. MERCHANTS COFFEE CO.

(179 O. G., 1109.)

November 15, 1911.

1. DESCRIPTIVE TERM—"HYGEIA" FOR COFFEE.

The word "Hygeia" as a trade-mark for coffee is not descriptive.

2. TRADE-MARK—ABANDONMENT.

Where a firm had put out several brands of coffee, including "Hygeia," and its books offered in evidence showed not only that for several years no "Hygeia" coffee was sold, but that the columns in the factory stockbook headed "Hygeia" were used to enter various other items and on some pages the word "Hygeia" was written across with the words "High Grade" and "D Rio," not only a non-use of the mark, but an intent to abandon the same, was established.

Messrs. Taylor & Hulse and Messrs. Steuart & Steuart, for Levering Coffee Company.

Mr. Robert Watson and Mr. John Watson, Jr., for Merchants Coffee Co.

TENNANT, Assistant Commissioner.—This is an appeal by the Merchants Coffee Co. from a decision of the Examiner of Interferences awarding priority of adoption and use to the Levering Coffee Company and holding that it was entitled to register the mark shown in its application.

The mark involved is the word "Hygeia" used as a trade-mark for coffee. The Merchants Coffee Co. registered this mark on August 20, 1907. The application of the Levering Coffee Company was filed December 15, 1909.

The Examiner of Interferences found that the Merchants Coffee Co. began to use this mark in 1898 and has continuously used it since that time. He further found that the mark was adopted by E. Levering & Company, the predecessor in business of the Levering Coffee Company, in 1881, that the mark

was used by the former down to 1897, and that, while there was a lapse in its use from that date until 1902, when use was commenced by the Levering Coffee Company, it had not been established that the mark had been abandoned and that therefore the Levering Coffee Company was entitled to the benefit of the date of adoption and use of its predecessor.

The Levering Coffee Company contends that the mark as used by the Merchants Coffee Co. is descriptive and that it is also deceptive in that the picture of a hotel, which is said to be the picture of the Hygeia Hotel, formerly at Old Point Comfort, appears on the labels with the word "Hygeia," it being argued that one would naturally associate the word "Hygeia" with the Hygeia Hotel and would therefore be led to believe that there was some connection between this hotel and the coffee upon which the mark is used.

The Examiner of Interferences held that the Levering Coffee Company was not entitled to raise this question, since the Merchants Coffee Co. was the registrant, but that the use by the Merchants Coffee Co. was a valid trade-mark use.

It is not necessary to consider whether the question of a deceptive use by a registrant can be raised by an applicant in interference therewith, for there is no evidence of such deceptive use on the part of the registrant in this case as would defeat his right to registration if he were an applicant. The word "Hygeia" is, in my opinion, a good and valid trade-mark and not descriptive. In the case of the *Consolidated Ice Co. v. Hygeia Distilled Water Co.* (151 Fed. Rep., 10), the court of appeals of the third circuit said:

In short, "Hygeia" is not "hygienic." The two words have not the same meaning, and, while a monopoly of the latter could not be accorded to any one without depriving others of its apposite use for ascribing healthfulness to their goods, there is no more reason that the former should be exempted from appropriation than any other nominative or merely designating term which mythology or fiction has fabricated or made familiar.

The association of the word "Hygeia" on the labels with the picture of the Hygeia Hotel could, in my opinion, deceive no one.

It is not necessary to review the evidence in detail as to the

dates of use established by the respective parties. This evidence was discussed in full by the Examiner of Interferences, and I agree with his holding that the Merchants Coffee Co. has established adoption of the mark in 1898 and continuous use since that time and that E. Levering & Company adopted the mark in 1881 and used the same down to 1895.

While there are some general statements of the witnesses that the mark was continuously used by E. Levering & Company and the Levering Coffee Company, the books offered in evidence, and which the witnesses themselves state would actually show what sales were made, show diminishing sales from year to year until finally there was but a single sale of coffee under the "Hygeia" brand by E. Levering & Company in 1897. It is not denied on the part of the Levering Coffee Company that no sales of coffee were made by that concern under the brand "Hygeia" until 1902.

An examination of the factory stock-book of E. Levering & Company, which is in evidence as "Levering Exhibit Factory Stock Book, No. 2," shows that E. Levering & Company sold several brands of coffee. The book is ruled in columns showing the amount of each of these brands packed and delivered, the name of the brand appearing at the head of the column. Continuously up to 1895 the book shows the packing and delivery of "E. L. C.," "Rico," "Ajax," and "Hygeia" coffee. The sales in 1895 of "Hygeia" were very small. There were but a few in 1896, and, as stated above only one in 1897, and none thereafter until 1902.

It is true that mere non-use of the mark will not establish abandonment; but this book shows not only non-use, but, it is believed, a clear intent to abandon the mark, since the columns headed "Hygeia" are used to enter various other items, showing apparently that the factory had been notified that no more "Hygeia" coffee would be sold, and therefore there was no more need for these columns. In some places the printed word "Hygeia" is written across with the words "High Grade" and "D Rio." In the case of *Saxlehner v. Eisner and Mendelson Co.* (179 U. S., 19, 31) the supreme court of the United States said:

To establish the defence of abandonment it is necessary to show not only acts indicating a practical abandonment, but an actual intent to

abandon. Acts which unexplained would be sufficient to establish an abandonment may be answered by showing that there never was an intention to give up and relinquish the right claimed.

In the present case the books of E. Levering & Company show a non-use of the mark, and, as pointed out above, the character of the entries in this book is believed to show an intent to abandon the mark. No member of the firm of E. Levering & Company was called to explain why the books were used in this way if there was no intent to abandon the mark or to testify that the mark actually had not been abandoned. It does not appear on the record that the members of this firm were unavailable as witnesses, and, in fact, one of them was called by the Merchants Coffee Co. to testify as to another point.

It is true that the records show that certain "Hygeia" labels were kept in stock; but these appear to have been merely old labels which E. Levering & Company had on hand at the time the use of the mark was discontinued and which were transferred to the Levering Coffee Company along with the other property of E. Levering & Company. Parr and Ewing attempt to show that the use of the mark "Hygeia" by E. Levering & Company was discontinued because of a coffee war; but Parr's testimony is manifestly hearsay, and Ewing's seems to have been an after-thought, for it appears that after his original testimony was given and when he was excused as a witness to look up a certain letter which he had testified about, he dictated a statement to Parr as to this so-called coffee war, although both he and Parr had been sworn as witnesses. It is also significant that Parr's subsequent testimony was practically identical with this memorandum.

For the reasons above stated it is held that the mark in issue was abandoned by E. Levering & Company prior to the time it was adopted by the Merchants Coffee Co., that the Levering Coffee Company did not commence to use the mark until a subsequent date, and since it is not entitled to any benefit from the use by its predecessor, priority of adoption and use should have been awarded to the Merchants Coffee Co.

The decision of the Examiner of Interferences is reversed and it is held that the Levering Coffee Company is not entitled to register the mark shown in its application.

EX PARTE, THE CHARLES E. HIRES COMPANY

(180 O. G., 879.)

February 1, 1912.

CONFLICTING MARKS—"PUROCK" AND "PUREOXIA."

The words "Purock" and "Pureoxia" are so similar that their concurrent use upon goods of the same kind would be likely to cause confusion in the mind of the purchasers.

Messrs. Howson & Howson, for the applicant.

MOORE, Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing the applicant registration of the mark "Purock" as applied to distilled water, lithia-water, and ginger-ale.

The refusal to register is based upon the ground that the mark too nearly resembles the mark of the Palatable Water Still Company, registered May 8, 1900, No. 34,627, consisting of the word "Pureoxia."

It is true, as pointed out by the applicant, that when these two marks are placed side by side they present certain differences to the eye and possibly suggest different sources of derivation. The words when pronounced, however, have a striking resemblance in sound, and it is believed that the similarity, on the whole, is such as would be likely to cause confusion in the minds of purchasers if the marks were concurrently used upon goods of the same kind.

As held by the court of appeals of the District of Columbia in the case of *Wayne County Preserving Company v. The Burt Olney Canning Company*, (140 O. G., 1003; 32 App. D. C., 279,) any doubts which may exist in a case of this kind should be resolved in favor of the registrant. It is believed that the registration was properly refused.

The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE, WARNER

(179 O. G., 1107.)

March 9, 1912.

DESCRIPTIVE TERM—"BOY SCOUT" FOR LEGGINGS, GLOVES, AND MITTENS.

The words "Boy Scout" are not registrable as a trade-mark for leggings, gloves, and mittens, since as applied to such goods the mark is either deceptive or descriptive.

Mr. John E. Stryker, for the applicant.

MOORE, Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to register the words "Boy Scout" as a trade-mark for leggings, gloves, and mittens.

Registration was refused upon two grounds, first because the mark sought to be registered is the name of an organization not distinctively displayed and because the mark is descriptive or deceptive.

It is well known that there is such an organization in the United States and in England as the Boy Scouts. The use of the mark sought to be registered, it is believed, would clearly indicate that the goods were put out with the approval of the Boy Scouts or were manufactured for the Boy Scouts. If this is true, the mark is descriptive, and if not it is deceptive. In either case, the mark is not registrable.

The non-registrability of such a mark was clearly pointed out by Commissioner Hall in *ex parte M. Bloch & Co.*, (40 O. G., 443), in which it was held that a mark containing the words "Knights of Labor" was not registrable as a trade-mark for whisky.

Applicant argues that this decision was overruled by the later case of *ex parte King*, (46 O. G., 119,) decided by the same Commissioner, in which it was held that a trade-mark consisting of the exact representation of a well-known badge of the Grand Army of the Republic was registrable as a trade-mark. In this, however, applicant is in error, since in the later case the Commissioner said:

It is proper to say in this case that I do not find, nor does the Examiner suggest, that the design as used would be calculated to deceive, and the case is not brought within the principles announced in *ex parte M. Bloch & Co.*, (40 O. G., 443).

The above holding makes it unnecessary to consider whether, as contended by applicant, the word "Association" as used in Section 5 of the Trade-Mark Act is limited to an organization en-

gaged in trade or commerce and that therefore the first ground of refusal by the Examiner was not well taken.

The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE, DURHAM DUPLEX RAZOR COMPANY

(180 O. G., 1137.)

July 11, 1912.

CONFLICTING MARKS—"DURHAM-DOMINO" AND "DOMINO."

A mark consisting of the words "Durham-Domino" written with the initial letter of each word including the remaining letters is so similar to a mark consisting of the word "Domino" and the representation of a domino that their simultaneous use upon goods of the same descriptive properties would be likely to cause confusion.

Mr. Sydney I. Prescott, for the applicant.

MOORE, Commissioner.—This is an appeal from the action of the Examiner of Trade-Marks in refusing to register as a trade-mark for razors the words "Durham-Domino," these words being written with a hyphen between them and with the initial letter of each word including the remaining letters.

Registration was refused in view of the registered mark of Ellin, which consists of the representation of a domino and the word "Domino."

Notwithstanding the manner in which applicant's mark is written, I am of the opinion that it is clearly so similar to the registered mark that their simultaneous use upon goods of the same descriptive properties would be likely to cause confusion in the mind of the public. The similarity of these marks is fully as great as that of the marks involved in the cases cited by the Examiner.

The decision of the Assistant Commissioner in applicant's copending application appears to have no bearing on this case, since it was held therein that any doubt as to the registrability of the words "Durham-Derby," written in the same manner as the mark involved herein, on the ground that the words were geographical, was resolved in applicant's favor in view of the fact that the words "Durham-Duplex," written in a similar manner, had been registered to its predecessor in business.

The decision of the Examiner is affirmed.

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No. 9

UNITED STATES CIRCUIT COURT OF APPEALS

L. E. WATERMAN COMPANY V. MODERN PEN COMPANY

Second Circuit, June, 1912.

UNFAIR COMPETITION—TRADE-NAMES—DUTY TO DISTINGUISH.

Two trade-names, each made up from the same surname, must be so distinguished as to minimize so far as practicable the confusion arising from their similarity. The requirement that defendant use, in connection with its trade-name, the suffix "not connected with the original 'Waterman' pens" tends to characterize the defendant's product as inferior and is unduly prejudicial to the latter. The suffix "not connected with the L. E. Waterman Co." is sufficient to put the public upon inquiry and is all that the facts require.

Cross appeals from the United States district court, southern district of New York. For opinion below see Reporter, Vol. 2, p. 115. For opinion of circuit court of appeals on motion for a preliminary injunction, see 183 Fed. Rep., 118.

Before WARD and NOYES, Circuit Judges and HOLT, District Judge.

Per CURIAM.—In our opinion the testimony upon the final hearing was not substantially different from that presented by the affidavits which were before us in the former record. The most important additions to that record consist of the Italian decree

and the testimony concerning the Lockwood transactions, [Reporter, Vol. 2, pp. 117, 118], but we agree with the conclusions of the district judge that those items do not materially change the situation.

The case before us, then, is practically the case which came up before and we are not convinced that our conclusions reached at that time were erroneous, or that the final relief granted should vary from the preliminary relief which we then regarded as proper, except in one particular.

The record clearly demonstrates the confusion arising from the use by the defendant of the name "A. A. Waterman & Co." in the pen business in view of its similarity to the name of the complainant. The defendant has the right to use the name but the complainant and the public have the right to insist that provision be made for minimizing the confusion arising from such use so far as practicable. We think that the suffix required in the decree appealed from tends to characterize the defendant's product as inferior to that of the complainant and is unduly prejudicial to it. The defendant should, however, distinguish its goods from those of the complainant, and, in our opinion should do so by employing after the name "A. A. Waterman & Co.," or "A. A. Waterman," the words "not connected with the L. E. Waterman Co." This notice should be sufficient to put the public upon inquiry. We think it all that the facts of the case require but it is the very least they do require.

The decree appealed from will be modified by striking out the words "not connected with the original 'Waterman' pens," and inserting in lieu thereof the words "not connected with the L. E. Waterman Co."

The costs of this court and the costs of the lower court arising after our decision upon the former appeal will be divided equally between the parties. Costs of the lower court accruing before that time are awarded to the complainant.

With the modifications stated, the decree of the district court is affirmed.

On Petition for Rehearing.

In addition to the modifications of the decree appealed from

stated in the opinion, the order for the mandate may require the defendant to use the name "*Arthur A. Waterman & Co.*" instead of "*A. A. Waterman & Co.*"

If, as stated in its petition, complainant feels that the required suffix "will only increase the existing wide-spread confusion and substitution," the order for the mandate will, at its option, contain no provision for a suffix.

The petition for a rehearing is denied.

On Application for Changes in the Order.

It is equitable that the penholders which the defendant has in good faith marked in accordance with Judge HAND's decree with the suffix "not connected with the original Waterman pen," or in accordance with the opinion of this court before the use of the name "*Arthur*" was required, should be permitted to be sold and the order for the mandate may so provide.

The application for further changes in the order is denied.

[The modification of the decree of the Circuit Court, as to the form of suffix to be used by the defendant with its trade-name, does not commend itself as necessary or proper, in the light of the decisions covering similar cases. The record shows that the complainant has never marked or called its pens "*L. E. Waterman*" pens but merely "*Waterman*" pens, which name "*Waterman*" has come to designate to the public the pens of the complainant. The thing from which the defendant's business is to be distinguished is the thing known to the public to wit, the "*Waterman Pen*," not the name "*L. E. Waterman Co.*" with which users of the pen might or might not be familiar. The district judge himself said "Although I have used such pens for years, I am sure that I should not have had the least suspicion but that an '*A. A. Waterman*' pen was a '*Waterman*' pen." In other words, he knew the pen but not the maker. To distinguish the defendant's from the complainant's pen, the suffix prescribed by the court below would seem to be no more than was adequate and necessary. As is pointed out in the complainant's petition for a rehearing, the higher court lays down a new principle of law governing cases of unfair competition, when it says that the form of suffix it prescribes is "sufficient to put the public upon inquiry." Hitherto the courts have quite clearly held that the later comer into the field must *clearly distinguish* his business from an earlier one of a similar name. *Walter Baker & Co. v. Baker*, 77 Fed. Rep., 181; 87 *Id.*, 209; *Same v. Sanders*, 80 *Id.*, 889; *Pillsbury Co. v. Pillsbury-Washburn Co.*, 64 *Id.*, 841; *Royal Baking Powder Co. v. Royal*, 122 *Id.*, 337; *Ludlow Valve Mfg. Co. v. Pittsburg Mfg. Co.*, 166 *Id.*, 26.

When a family name has come to have a distinctive character as indicating the product or business of one house, the courts have required that the product or business of the later comer be distinguished by some reference thereto as the "old" or "original" business conducted under that

name. Thus, "no connection with the old chocolate manufactory of Walter Baker & Company." *Baker v. Sanders, supra*; "not connected with the original Rogers," *International Silver Co. v. Rogers*, 72 N. J. Eq., 933; "not the original Hall's Safe and Lock Company," *Herring-Hall-Marvin Safe Co. v. Hall's Safe Company*, 208 U. S., 554, (560); "not published by the original publishers of Webster's Dictionary," *Merriam Co. v. Ogilvie*, 170 Fed. Rep., 168; *Same v. Saalfeld*, 190 *Id.*, 934; "not the original Dr. A. Reed Cushion Shoe," *Dr. A. Reed Cushion Shoe Co. v. Frew*, 162 Fed. Rep., 887; "not the original Chickering pianos," *Chickering v. Chickering & Sons*, 120 *Id.*, 69.]

NATIONAL WASHBOARD CO. v. JOSEPH GOLDSTEIN.

Second Circuit, July 17, 1912.

PRELIMINARY INJUNCTION—STYLE MARKS.

A preliminary injunction will not be granted to restrain the use of numerals, used to distinguish the different styles of complainant's washboards, one from the other. The right to monopolize these numerals is too doubtful to be recognized at that stage of the litigation.

On appeal from an order of the district court, eastern district of New York, denying a motion for a preliminary injunction.

Drury W. Cooper and Edward Rector, for appellant.

O. Ellery Edwards, Jr., for respondent.

[On November 11, 1911, the district court enjoined the defendant from simulating the complainant's trade brands or markings in connection with the sale of washboards. Later, this motion was made, to restrain the use of the numerals adopted by complainant to identify the styles of washboards sold by it. The district court, on March 15, 1912, denied the motion in the following language:

"In view of the conflicting statements concerning the significance and use of arbitrary numbers on washboards, I am not disposed to grant at this time and upon affidavits a further injunction based upon the use of numbers alone."]

COXE, J.—There is no question that before the injunction of November 11, 1911, was issued the defendant had so dressed his goods in imitation of the complainant's trade-names and brands that the public might be deceived into taking his washboards for those of the complainant. All of these questions have, however, been eliminated by the changes made pursuant to the directions of the order.

We understood the complainant to concede at the argument that practically the only question now presented for consideration

relates to the use of the arbitrarily selected numbers; but whether conceded or not this, in our judgment, is the only question to be considered. We are therefore confronted with the single proposition—should the court enjoin the use by the defendant of numbers designed to show the style of his washboards and to distinguish them one from the other, because the complainant had previously adopted similar numbers to serve a similar purpose and, perhaps, to indicate origin?

We do not deem it necessary to answer this question definitely at this time. It is sufficient to say that we think it too doubtful to be answered affirmatively upon a motion for a preliminary injunction. It is undoubtedly true, where a manufacturer has selected an arbitrary combination of figures or letters to designate his goods, which combination in the minds of the purchasing public has become a substitute for the name of the manufacturer as indicating origin, that the courts have in several instances enjoined the use of such a combination by a rival manufacturer. But in many of these cases the figures were part of a general scheme of dressing up the goods for the market and were considered in connection with and as parts of other marks, brands and insignia. Here we are considering the numbers alone on goods, which in other respects are now clearly distinguishable from the complainant's goods. In the cases referred to, the courts have been convinced that the numbers or letters were designed to indicate origin. In the case at bar this is seriously disputed and it is vigorously contended that the defendant adopted the numbers simply and solely to indicate the size, shape and style of the respective boards so that, in ordering, the purchaser can readily indicate the board he desires, in the same manner as a pair of shoes, a hat or a collar is ordered by number. Again, we are unable to find any proof that purchasers have actually been deceived, since the injunction of November 11, by the use of the numbers. Indeed, it seems quite improbable that, in existing conditions, a purchaser having the ordinary mental equipment, can be so deceived. The complainant's boards are now plainly marked in red ink "National"; the defendant's boards are plainly marked in black ink "Manhattan." If a purchaser has examined into the respective merits of the two boards and actually desires

a National, it is impossible to believe that he can be induced to take a Manhattan because the same number appears on both. If he has no choice between them it is manifest that he can not be defrauded. There is no substantive proof of fraud or deception, or even of confusion, which can be attributed to the numbers alone. It is, of course, convenient to have the same number indicate the size and quality of the boards, no matter who may be the maker, and the proof should be clear that it was adopted with intent to injure and defraud the manufacturer first using it.

The questions in controversy are questions of fact; they have not been clearly established in favor of the complainant and should not be decided upon affidavits, but should await the final hearing after the witnesses have been tested by cross-examination.

The order is affirmed, with costs.

WARD, J., concurs.

LACOMBE, C. J. (dissenting)—I am unable to concur with my associates and think this an especially vicious case of unfair competition. Defendant for several years subsequent to 1907 marked his washboards with various combinations of words, containing his business name and address and some arbitrary word "Diamond," "Globe" or what not, indicating the size and style of washboard. During the same period complainant manufactured and marketed washboards marking them with a combination in black of its own name, its business address, the word "National" in a contrasting color (red) and certain arbitrary numbers designating size and style of washboard. In 1911 defendant, in place of the mark it had theretofore used on one side of its washboards, substituted a Chinese copy of complainant's mark, with the exception that the word in red was "Manhattan" instead of "National." No amount of testimony (and there was such testimony) by defendant, or his sons, all interested parties, could convince me that he did not intend by the substitution to mark his washboards in such a way that persons might mistake them for complainant's, and did not expect that thereby the sale of his own goods might be increased.

It must be assumed that the defendant equally with the purchasing customer has "the ordinary mental equipment." If so, it follows that he changed from the old to the new style of marking his goods, not fortuitously, but with an intelligent purpose. That purpose is manifest. This was unfair trading and in a former suit the court so held and ordered defendant to put a stop to it.

Defendant then modified his mark. The details need not be discussed since the new mark seems to be sufficiently differentiated from complainant's except only as to certain numbers, to restrain the use of which this suit is brought. These numbers, as has been said, were placed by complainant on its different sizes and styles of washboards, so that each size and style was marked with its assigned number. The numbers in connection with the other *indicia* are used by complainant to identify its product. These numbers are wholly arbitrary—such as 501, 608, 841, &c. They are not descriptive as are the numbers stamped on collars, 15, 15½, 16, &c., to indicate the length of the article from buttonhole to buttonhole in inches; nor are they, like the numbers or the letters marked on shoes, 4, 4½, 5 a, b, c, &c., which indicate size, all the trade having for generations used "5a" to indicate a shoe of a certain length and width. Although arbitrary and originating with the plaintiff, they might, with its acquiescence, have been appropriated by the trade and generally used to designate goods of sizes and styles like those of complainant. But the testimony shows that nothing of this sort has occurred. Very many washboards are marked and sold with these numbers, the meaning of which the public is becoming accustomed to, but that is because complainant's business is a large one and it sells many goods. The significant fact is that complainant, and complainant only since their adoption in 1907, has used these particular figures in connection with washboards, until defendant undertook to appropriate them in 1911, whereupon suit was promptly brought.

The combination of units which may be used by any one who wishes through their use to identify some particular size or style of his goods is practically unlimited. It was perfectly easy for defendant to select for his own use numbers which were not already associated in the mind of the public with complainant's. That he appropriated these numbers of the complainant with the

expectation that their use might induce some persons to suppose that they were the same goods as those of the complainant and that in that way the sale of his own goods might be increased seems to me manifest and no amount of testimony by interested parties to the contrary is at all persuasive. It seems to be a clear case of unfair trading, and I therefore dissent.

UNITED STATES DISTRICT COURT

NOX-ALL AND GOTHAM HAT CO. v. DENZER, GOODHART & CO.

Southern District of New York, January 3, 1912.

TRADE-MARK—INFRINGEMENT.

The word "Nox-all" is a valid trade-mark and is infringed by the word "Non-X-Ell."

On motion for a preliminary injunction.

Wise & Lichtenstein, for complainant.

W. F. Ashley, for defendant.

COXE, J.—It was admitted at the argument that "NOX-ALL," as registered, is a valid trade-mark. I have no doubt that the use by the defendant of the trade-mark "NON-X-ELL" surmounted by the eagle, as in the complainant's trade-mark, is an infringement and also constitutes unfair competition. The ordinary buyer looking for a "Nox-All" hat and remembering only the general contour of the complainant's mark would be easily misled into taking the defendant's "Non-X-Ell" hats instead. Such a buyer does not remember the minute details of a trade-mark but only its general appearance and no one who sees these marks together can deny their general similarity.

Regarding the trade-mark "STANDARD," the right of the complainant to an injunction was not disputed at the argument.

As to the other acts of the defendant, which the complainant seeks to enjoin, there is too much doubt to warrant an injunction at this stage of the litigation.

The motion is granted so far as it relates to the trade-marks "NOX-ALL" and "STANDARD."

COURT OF CHANCERY OF NEW JERSEY

ROSENTHAL, *et al.* v. BLATT

(83 Atlantic Rep., 387.)

May 3, 1912.

UNFAIR COMPETITION—TRADE-NAME.

The name "Page of London" on a shop,—in the absence of proof of diversion of trade resulting therefrom—does not appear to unfairly imitate the name "London Shop" on a rival establishment.

On final hearing.

Joseph B. Perskie and Bolte & Sooy, all of Atlantic City, for complainants.

Eugene Schwinghammer and C. L. Goldenberg, both of Atlantic City, for defendant.

LEAMING, V. C.—Complainants are owners of a business conducted by them as partners in three certain stores fronting on the Boardwalk in Atlantic City; the business in each store being conducted under the trade-name of "London Shop." The business so conducted is that of retail stores for the sale of gentlemen's furnishing goods, hats, caps, and ladies' millinery. Since the establishment of complainants' business under the name stated, defendant has established a store, fronting on the Boardwalk, the business of which is being conducted under the trade-name of "Page of London." The business conducted by defendant is similar to that of complainants. Complainants now seek an injunction to prevent defendant from using the name "Page of London" in connection with defendant's business, alleging as a ground for relief that the name "London Shop" used by complainants has become favorably known to the public as complainant's trade-name, and that the use of the name "Page of London" by defendant is operative to deceive the public as to the identity of the several stores, and to lead patrons of complainants' business to make purchases from defendant's store, under the belief that that store is one of the stores operated by complainants.

On the application for a preliminary injunction, I sum-

marized my view of the law controlling controversies of this class as follows:

"This court may appropriately protect a complainant against unfair competition when it is found that the defendant is conducting a business in such manner that there exists, upon the part of defendant, express or implied representations that the business conducted by defendant is that of complainant. The reputation and good will which a man acquires are property rights, which are entitled to protection against wrongful invasion; and the public is entitled to protection against fraud. A trade-certain individuals will, in consequence, be protected. See 28 name appropriately used to designate a particular business of *American & English Encyclopedia of Law* (2d Ed.) pp. 345 to 348. The present inquiry is therefore whether defendant has adopted a trade-name so nearly resembling the trade-name of complainants as to deceive the public and injure complainants. It is manifest that the extent of resemblance of the names used is not the sole criterion. A name quite similar may be so used as not to deceive or injure; a name quite dissimilar may be used in such manner as to deceive and injure."

Preliminary relief was refused because it did not then appear with sufficient certainty that complainants' rights had been or would be materially invaded to justify this court in granting a preliminary injunction.

It will be observed at once that the names "London Shop" and "Page of London" bear no resemblance as names, except such as arises by the use of the word "London" in each name. It should also be stated that the sign "Page of London," as used on the store of defendant, contains no details of form or arrangement in imitation of the signs used on the stores of complainants, and the word "London" is not made more conspicuous in any of the signs used by either party than the remaining words of the signs; nor is there any similarity of design in the small engraving used by defendant and complainants, respectively, on their stationery, and to mark their merchandise. Such infringement of complainants' rights as may exist is from the use of the word "London" in the manner already stated. Nor is there any evidence from which it can be properly determined that the trade-

name adopted by defendant was by him selected because of any possible resemblance it might bear to the trade-name used by complainants. The common desire of the parties to use the word "London" appears to arise from a belief that its use gives character to the business of the haberdasher, through the suggestion that the store is in some way connected with London, or is especially equipped with London goods. Neither the stores of complainants nor the store of defendant are in any sense London stores, and neither have substantial London connections. Their sole proprietors are residents of Atlantic City. They are, in fact, Atlantic City stores, but handle, in part, goods which have been imported from London. On well-established, equitable principles, it is manifest that to whatever extent complainants may seek to benefit from any suggestion which may be contained in their trade-name, to the effect that their stores are branches of a London store, this court can lend them no assistance.

But, assuming that the name "London Shop," as used by complainants, is wholly free from any criticism of the nature suggested, I am unable to conclude that defendant has entered the field of unfair competition in the use of the name "Page of London." As already stated, there is no resemblance between the two names used by the respective parties, except such as arises from the common use of the word "London"; and the only danger of confusion from the use of the two names appears to me to arise from the possibility of a person observing the word "London" and paying little or no attention to the remaining part of either trade-name.

Complainants have received telephonic messages and mail relating to purchases made at defendant's store, and have received, by express and otherwise, goods which have been purchased at defendant's store, accompanied with requests for their exchange or a return of the purchase price. In one instance, a customer at one of the stores of complainants was sent to another store of complainants for a specific article, and the customer went to defendant's store by mistake. These occurrences disclose some confusion, which, it is urged, is to be attributed to a similarity of the two trade-names. It is quite possible that the confusion referred to has arisen from the use of the word

"London" as a part of the trade-name of both contending parties; but such confusion is, in my judgment, to be more appropriately attributed to extreme carelessness and inattention upon the part of the customers who have made the specific errors referred to. Complainants have no property right to the exclusive use of the word "London" in connection with their business. They are only entitled to protection against unfair competition by defendant. They are entitled to be protected against defendant passing off his goods or business as complainants' goods or business; and the test is whether or not the public is likely to be deceived. Concrete instances of confusion which can only be appropriately attributed to extreme carelessness or inattention on the part of customers, are clearly inadequate to establish a similitude which does not in fact exist. I am unable to believe that the name "Page of London," used in the manner in which it is being used by defendant, is operative to deceive or mislead any reasonable person by reason of its resemblance to the name "London Shop," or to improperly divert complainants' trade.

I will advise an order dismissing the bill.

NEW YORK COURT OF APPEALS

BENEVOLENT & PROTECTIVE ORDER OF ELKS v. IMPROVED BENEVOLENT & PROTECTIVE ORDER OF ELKS OF THE WORLD, *et al.*

(98 Northeastern Rep., 756.)

May 24, 1912.

1. UNFAIR COMPETITION—BENEVOLENT CORPORATIONS—TRADE-NAME.

The right to injunctive relief against the unfair and misleading use of a corporate name exists in favor of a benevolent or fraternal association not conducting any trade or industrial or financial business. The right is not confined to trading corporations. The use of a deceptive and misleading name by a benevolent organization never in any way connected with the plaintiff was properly enjoined.

2. UNFAIR COMPETITION—BENEVOLENT CORPORATIONS—ORGANIZATION AND INSIGNIA.

No injunction will lie in such a case to prevent the new organization from calling its officers by the same name as the old, nor to restrain its use of the latter's colors.

Appeal by leave, from judgment of the appellate division of

the supreme court, second department, unanimously affirming a judgment in favor of the defendants.

Anderson Price, for appellants.

Thomas Curran, for respondent.

WILLARD BARTLETT, J.—This is a suit to restrain the defendant from using a corporate name so closely resembling that of the plaintiff as to be calculated to mislead and deceive the public and persons having transactions with either corporation. The plaintiff has been awarded the injunction which it sought, and, upon a unanimous **affirmance** of the restraining judgment, the defendant has appealed to this court. Although there are nominally two defendants, they constitute but one organization and will be treated as one defendant in this opinion.

The plaintiff was incorporated by a special act of the Legislature (Laws of 1871, c. 88) under the name of the Benevolent & Protective Order of Elks "to protect and aid its members and their families, and to accumulate a fund for that purpose, which said fund shall be used and appropriated for no other purposes whatsoever"; and it is authorized to acquire and hold real and personal estate to the value of \$200,000 to sell and dispose of the same, to have and use a common seal, and to establish branch organizations. The corporation has grown and prospered, being now represented by branches in many other states of the Union, and having an aggregate membership of about 280,000 persons.

The defendant corporation, on the other hand, is of comparatively recent origin, having been organized under the Membership Corporations Law (Consol. Laws 1909, c. 35) in 1907. In the certificate of incorporation it is named the Grand Lodge of the Improved Benevolent & Protective Order of Elks of the World, but in its publications it appears simply as the Improved Benevolent & Protective Order of Elks of the World, the designation as Grand Lodge being omitted. Its objects as defined in the certificate, are similar to those of the plaintiff, and it has established some branch organizations in this state and elsewhere. The evidence indicates that its membership is made up chiefly of colored persons, while the members of the plaintiff corporation and its branches are exclusively white. According

to one of the witnesses for the defendant, "there is a membership of about 80,000 colored Elks in the United States." While the question of color crops up in the evidence in this record, it does not appear to have any legal significance in the litigation. The rights of the parties have been determined in the courts below, and must be adjudicated here precisely as though the members of both corporations were all of the same color.

The grievance of the plaintiff is that the defendant has pursued a course designed to mislead and confuse the public by a deceptive imitation of the plaintiff's name, seal, emblem, membership card, and the titles of its officers. This grievance is established by the findings of the trial judge at Special Term, and the unanimous affirmance thereof by the Appellate Division, which precludes us from considering any of the points of the appellant based upon the alleged insufficiency of the evidence.

There is one question of law, however, which may appropriately be discussed, since it does not appear ever to have been expressly passed upon by this court, and that is the right to injunctive relief against the unfair and misleading use of a corporate name in the case of a benevolent or fraternal association where it is not carrying on any trade or industrial or financial business which can be injuriously affected by the action of a similar body in appropriating its name. The appellant strenuously asserts that the law protects only trading corporations against such misappropriation, and there are some expressions in the opinions of English judges which apparently sanction that view. That the doctrine finds no countenance, however, in this state is clearly and conclusively shown in the able opinion of the late Mr. Justice Patterson in *Society of War of 1812 v. Society of War of 1812 in the State of New York*, 46 App. Div., 568, 572, 62 N. Y. Supp., 355, 358, where it was distinctly held that the right to relief by injunction against the misuse of a corporate name was not confined to business corporations, but extended equally to benevolent and patriotic societies. He pointed out that many corporations are created under the laws of this state which have nothing to do with trade or commerce, and that "it would be a strange condition if the law could not protect them in that which it has encouraged them to do." His reasoning and

conclusion commend themselves to our judgment and command our approval. See, also, *Salvation Army in United States v. American Salvation Army*, 135 App. Div., 268, 274, 120 N. Y. Supp., 471.

The question has seldom been presented to courts of last resort, but the case of *International Committee of Young Women's Christian Associations v. Young Women's Christian Association of Chicago*, 194 Ill., 194, 62 N. E., 551, 56 L. R. A., 888, is an authority to the same effect. The Young Women's Christian Association of Chicago was one of the large number of associations of women, incorporated and unincorporated, which have existed in this country during a long period and had been affiliated with one another through the agency of biennial conferences. It was organized in 1877. Its managing board was made up of representatives from nearly all the evangelical churches in Chicago, but no religious or sectarian test had been required of the voting and managing members except that they should be of Christian character. At one of the biennial conferences a movement was set on foot to prescribe a more rigorous religious test, and finally those who favored limiting membership to women who belonged to evangelical churches formed a new organization which was incorporated in 1891 under the laws of Illinois as the International Committee of Young Women's Christian Associations. Local associations of the same character were formed under this new parent organization, and much confusion arose on account of the similarity of its name to that of Young Women's Christian Associations generally and the implication that they were related to one another. It was manifest that the International Committee, etc., was established solely by reason of the failure or refusal of the biennial conference to prescribe the evangelical test which has been mentioned. Under these circumstances, the Young Women's Christian Association of Chicago brought an action against the International Committee of Young Women's Christian Associations to prevent it from using that name or any similar name likely to mislead or deceive the public, and judgment directing the issuance of an injunction to that effect was affirmed by the Supreme Court of Illinois.

The public policy of this state against permitting the use of misleading names by corporations of any character is evidenced by the legislation on the subject. Thus the General Corporation Law (Laws of 1909, c. 28, § 6, as amended by Laws of 1911, c. 638) provides that no certificate of incorporation of a proposed corporation having the same name as a corporation authorized to do business under the laws of this state, or a name so nearly resembling it as to be calculated to deceive, shall be filed or recorded in any office for the purpose of effecting its incorporation or of authorizing it to do business in this state. This provision is a substantial re-enactment of a section in the first General Corporation Law (Laws of 1890, c. 563, § 4). Even more expressive of the legislative intent to repress the deceptive adoption of pre-existing corporate names is Section 948 of the Penal Law (Consol. Laws 1909, c. 40) originally enacted in 1908 (but which did not take effect until after judgment was rendered in this action): "No person, society or corporation shall, with intent to acquire or obtain for personal or business purposes a benefit or advantage, assume, adopt or use the name of a benevolent, humane or charitable organization incorporated under the laws of this state, or a name so nearly resembling it as to be calculated to deceive the public with respect to any such corporation. A violation of this section shall be a misdemeanor." In case of a threatened violation the section goes on to provide for an injunction, and if it shall appear that the defendant is in fact using the name of a benevolent, humane, or charitable organization incorporated as aforesaid, or a name so nearly resembling it as to be calculated to deceive the public, an injunction may be issued "without requiring proof that any person has in fact been misled or deceived thereby."

The appellant insists that the names of the parties here have not enough similarity to support the action, and that in any event the judgment should not go further than to prohibit the use of the defendant's name without the prefix "improved" and the suffix "of the world." We think that the names are so similar as to be extremely likely to deceive, and that a limitation of the injunction in the manner suggested would not give the plaintiff the relief to which it is entitled. Indeed, the plaintiff's organization

has become so well and widely known simply as Elks (as the trial court has found) that the assumption of a title containing that appellation by any other independent benevolent corporation or fraternal order would in and of itself convey the false impression that there was some connection between them. Therefore the learned judge at special term was right in enjoining the defendant from in any wise using the word "Elk" or "Elks" as part of its title or incorporation. The case would be quite different if the members of the defendant organization had ever been members of the plaintiff corporation and had seceded therefrom because of dissatisfaction with its methods of administration or for any other good and sufficient reason. In that event, the representation that the members of the defendant were Elks or had been Elks would be true as matter of fact, and the use of the parent name as part of the name of a new society formed by members of the original organization as an offshoot thereof has sometimes been sanctioned. See *Supreme Lodge Knights of Pythias v. Improved Order Knights of Pythias*, 113 Mich., 133, 71 N. W., 470, 38 L. R. A., 658. Here, however, there has been no secession, and the defendant is in no sense an offshoot of the plaintiff association.

We think the judgment goes too far, however, in forbidding the defendant from using the same titles for its officers as those borne by the officers of the plaintiff. We can perceive no valid legal objection to the use of such titles as exalted ruler, esteemed leading knight, tiler, etc., by any association which chooses thus to designate its officials. This is a harmless imitation of the plaintiff, complimentary rather than otherwise. The prohibition against the use of the colors of the plaintiff corporation, to wit, purple and white, should also be stricken from the judgment. A case might arise in which the use of a particular combination or arrangement of colors ought to be forbidden, but no such general prohibition as this can be sanctioned.

The chief practical effect of the present judgment is to compel the defendant to adopt another name which contains no reference to the Elks. Its organization is not interfered with, and it may continue to exercise all its functions just as before. If its members desire the name of an animal, there is a long

list of beasts, birds, and fishes which have not yet been appropriated for such a purpose. It is only the virtual misrepresentation that they are Elks that is complained of here.

The judgment should be modified by striking out the provisions in regard to the names of officers and the colors used by the defendant, and, as thus modified, affirmed, without costs.

CULLEN, C. J., and GRAY, HAIGHT, VANN, WERNER, and CHASE, JJ., concur.

Judgment accordingly.

NEW YORK SUPREME COURT

MAURICE v. DEWAN & SONS CO., *et al.*

Special Term, New York County, July 23, 1912.

1. UNFAIR COMPETITION—TRADE-NAMES.

The name "Waldorf Lingerie Shop" does not appear to be interfered with by the name "Waldorf Lace Store" for a shop located in the same block, their business not materially conflicting, and no deception of the public being shown.

2. INJUNCTION—NAME IN VIOLATION OF LAW.

It is no ground for injunction in such a case that the defendant may be violating the law in using a trade-name, without having filed the certificate required by law, showing the real parties in interest.

On motion for a preliminary injunction.

Herman B. Goldstein, for plaintiff.

Joseph Kurgman, for defendant.

GIEGERICH, J.—The motion is for an injunction *pendente lite*. The plaintiff began business at No. 24 West Thirty-third Street, Borough of Manhattan, New York City, in June, 1910, selling laces and lingerie, and carrying his business on under the name Waldorf Lingerie Shop, which name he adopted because his place of business was directly opposite a prominent hotel generally known as "The Waldorf." In August, 1911, the defendants, who had for some years been in the lace business, opened a shop for the sale of the same at 2 West Thirty-third Street and displayed on their sign, which bore their name, the further words, "Waldorf Lace Store." On May 1, 1912, the plaintiff moved to 2 West Thirty-third Street, whereupon the

defendants, as is claimed on their behalf to avoid confusion, moved to 16 West Thirty-third Street, where they now are. The principal business of the plaintiff is the sale of lingerie, the sale of lace not having been engaged in by him, as the defendants assert without direct contradiction, until after the defendants opened their place on Thirty-third Street. The principal business of the defendants is the sale of lace. It is also shown on behalf of the defendants that the word "Waldorf" is commonly used as a part of the name of business concerns in this city, and especially those located in the immediate neighborhood of the hotel of that name. The attempt of the plaintiff to show that the defendants have endeavored to misrepresent their place of business as that of the plaintiff failed. No unfair business methods were proved nor any deception upon the public. Upon all the facts shown, I am not satisfied that the plaintiff has made out such a case as to entitle him to the injunction he seeks. The plaintiff asserts that the defendants have violated Section 440 of the Penal Law by conducting business under an assumed name without filing the certificate required in such cases, but it is not clear that such is the fact. As I understand the facts, the name or names of at least some of the defendants appear on the sign with the words Waldorf Lace Shop. But however that may be, I do not think the courts should attempt to punish violations of that law in the manner proposed by the plaintiff. The motion is denied.

CHARLES E. METZGER V. EDWARD M. KNOX, *et al.*

Special Term, New York County, June 28, 1912.

1. TRADE-MARK—INFRINGEMENT.

The owner of a trade-mark, who sells it, together with his manufacturing business and good will to a corporation, reserving the right to use the mark in his retail business, as before, upon imported hats, should be enjoined from the use of the mark otherwise than in accordance with the contract.

2. INJUNCTION—LACHES.

A preliminary injunction should, however, be denied, when it appears that the plaintiff knew of the alleged wrongful acts for three years before the suit was brought, and moved only after the refusal of the defendant to purchase his stock in the corporation.

On motion for a preliminary injunction and other relief.

Warren Biglow, for plaintiff.

J. Aspinwall Hodge, for defendants.

CRANE, J.—This application is made by the plaintiff for the appointment of a temporary receiver of the Knox Hat Manufacturing Company and for an injunction restraining the E. M. KNOX Retail Hat Company from using the Knox trade-mark on certain goods sold by it. The principal grounds upon which the plaintiff moves for this immediate relief are: First, the continuing breach of contract contained in the bill of sale of the manufacturing business from E. M. Knox to the Knox Hat Manufacturing Company. Second, the waste of funds due to the improper payment to the president of the Knox Manufacturing Company of a salary of \$25,000 and the leasing by the said company from the said president of lofts in a building owned and controlled by him. Third, the injury done to the Knox Manufacturing Company's business by permitting the Cooke Hat Company to use part of the factory building and compete in the trade for the sale of hats.

All of these grounds can be disposed of without much comment excepting the first. The stock of the Cooke Company is owned and controlled by the Knox Manufacturing Company and is a scheme whereby it disposes of a certain class of its goods. Whether this be good or bad business is for the board of directors to determine and not the courts, unless it be that it is used as a means to enrich some officer or director or majority stockholder at the expense of the minority holders, or an attempt to injure the minority holders. No such result has happened in the creation of the Cooke Company, so far as the papers reveal. As to the salary of the president, while it is true that the prospectus put out by him prior to 1903 stated that the officers of the company were to receive no salary, yet it can not be claimed that the directors of the corporation subsequently created could never pay a salary if circumstances warranted. Business conditions might arise where it would be for the best interest of all concerned that the officers should receive a salary. Likewise the renting of the loft in the Fifth Avenue building from E. M. Knox, the president, by the Knox Hat Manufacturing Company is not a prohibited

transaction. It is neither void nor voidable for the directors of a corporation to rent property from an officer of the company, although the transaction, of course, is subject to inquiry, and, like all other similar transactions, may be set aside or prevented if it be used for the purpose of defrauding minority stockholders in giving enlarged profits to an officer or director. This matter of salary and of the loft rental can, of course, be inquired into on the trial, but the papers upon this application fail to show any reason for the immediate relief asked.

As to the breach of contract by the Knox Hat Manufacturing Company, the successor of Edward M. Knox, the following statement seems necessary: Prior to 1903 Edward M. Knox was the owner of a hat factory on St. Mark's Avenue, in the Borough of Brooklyn, and also the proprietor of retail hat stores in Brooklyn and Manhattan. In that year he formed the Knox Hat Manufacturing Company, and by the bill of sale executed on the 19th day of March, 1903, transferred to it the manufacturing plant, property, good will and business, receiving therefor \$1,143,517.-71. The good will also included the exclusive right to the use of the Knox hat trade-mark, a very valuable asset. The bill of sale contained but one exception, which gave to Edward M. Knox the right to maintain and carry on his retail stores in Manhattan and Brooklyn, he agreeing at the time to purchase so long as he shall personally continue to carry on said stores, all hats, caps, goods and merchandise which he may require of said company at the same prices which he had theretofore been accustomed to pay for like goods manufactured at said factory. The language used in this bill of sale indicates that Knox was to purchase all the goods for his retail stores which, up to that time, had been made and were being made by the hat factory; as to all other goods, he was free to buy them where he pleased. As to the Knox label or trade-mark, which was a most valuable part of the transfer to the company, Knox agreed that neither he nor his successors would use this trade-mark on any other hats than those manufactured by and purchased of the company, with the exception "*of such (hats) as he had been accustomed to purchase in Europe as samples, for men's wear.*" This agreement was by no means a unilateral contract, as the company had paid

a very large sum of money not only for the property, but for the good will, and the agreement was one of the terms of the transfer. Edward M. Knox was therefore bound to live up to the letter and spirit of it.

The plaintiff claims that this agreement has been violated, as Edward M. Knox has for many years been purchasing hats and caps from other manufacturers and dealers and selling them in his retail stores under the Knox label, and that this action on his part has not only lessened the sales and business of the manufacturing company, but has had a direct tendency to lessen the value of the Knox label or trade-mark to the company. It is acknowledged on the part of the defendant Knox that he has imported certain cloth caps and also silk hats and sold them as alleged, but it is claimed by him that this is not a violation of the contract, as these goods he had previously been accustomed to purchase in Europe, and therefore came within the exception of his agreement. While he agreed to purchase all hats and caps for his retail stores manufactured by the Knox Company from that company, yet a court of equity would not enforce this agreement by injunction and restrain him from buying hats elsewhere, but it doubtless would and should restrain him from using the Knox label in such hats contrary to his agreement. It is not a question of label or trade-mark, but one of contract and agreement. Whether, therefore, the defendant Knox violated his contract by using the label in imported hats and caps depends upon the reading of this exception to the contract which is above quoted. The plaintiff claims that this exception is confined to such samples as Knox purchased in Europe, while the defendant claims that he was free to purchase without limit and use the Knox label on hats which were *like* the samples theretofore bought in Europe. The language is subject to either interpretation without straining or unnatural construction, and the meaning of the parties and of the clause must be determined by the circumstances and nature of the business. This can be determined upon the trial, but until then the court would hardly be justified in granting a preliminary injunction when the meaning was not perfectly clear and certain. It is conceded by Mr. MacFarland in his affidavit that cloth caps were not manufactured by the

Knox Manufacturing Company, so that these do not come within that portion of the agreement requiring their purchase from the factory, but Knox could not use the Knox label in them unless the clause quoted gave him that right. It would be unreasonable to restrain the defendant from using the label in such hats and caps as he imports from Europe until it is definitely settled upon the trial of the case to what goods and class of hats the above exception refers.

But whatever indefiniteness there may be about the importation of hats from Europe, there is none regarding the purchase of domestic hats and caps, for as to those Edward M. Knox and the retail company which he has formed have no right whatever under the agreement to use the Knox label unless the goods are purchased from the Knox Hat Manufacturing Company.

While it is a breach of his contract to purchase domestic hats from other dealers or manufacturers than the Knox Hat Manufacturing Company, yet equity would not interfere, but leave the parties to their remedy at law. Equity will not, however, permit the defendant to use in hats so purchased a label which is the exclusive property of the Knox Hat Manufacturing Company. It is claimed on behalf of the plaintiff that the defendant retail company has been purchasing and is now purchasing domestic hats from other places than the Knox Company and using the label in them. If this be so, I certainly would grant an injunction if the plaintiff is in the position of one entitled to that relief.

Conceding that everything the plaintiff claims is true, yet this would not be a case of the appointment of a receiver. The Knox Hat Manufacturing Company is a very prosperous corporation, paying dividends upon its preferred and common stock. The Knox Retail Hat Company is also a prosperous concern. To appoint a receiver in order to obtain restitution of any money that might have been diverted from the stockholders would be the height of injustice and cause that damage which courts are provided to prevent. A receivership is to preserve property, not to destroy it, and if I should grant the relief asked for and appoint a receiver, which always carries with it an imputation of financial stress, followed by damaged reputation, greater harm would come to the plaintiff, if he be honestly interested in the

success of the enterprise, than all the acts which he charges against the defendant Edward M. Knox.

As I have above stated, however, I would grant the injunction preventing the use of the Knox label in domestic hats and caps not purchased of the Knox Hat Manufacturing Company, if the plaintiff could insist upon this relief. But I believe him guilty of such laches that whatever relief he may obtain upon the trial he surely can not be harmed by a few months' delay until then. There are 20,000 shares of the Knox Hat Manufacturing Company, of which the plaintiff owns 100, so that he has one-half of one per cent interest. Edward M. Knox, the president, owns the controlling interest. From 1883 to 1909 the plaintiff was in the employ of Edward M. Knox and later the Knox Hat Manufacturing Company, and knew how the business was transacted and carried on, and has lately been seeking to get back into the employ of the company. In 1907 he wrote from Philadelphia to Mr. Knox that he would advertise his holdings of stock for sale unless Mr. Knox paid him \$10,000 for them. In February of 1909 he wrote a letter to the board of directors of the Knox Hat Manufacturing Company, a copy of which he has annexed to the complaint, calling their attention to the violation of the above agreement by Edward M. Knox. Three years or more have elapsed since this without any change in the conditions so far as this branch of the case is concerned, and now the plaintiff claims that he will be irreparably damaged by a delay of four or five months until the merits of his case can be heard in court. I do not say that mere lapse of time will always prevent preliminary relief in an equitable action, but by the lapse of time coupled with the plaintiff's very small interest and his intimate knowledge of the business methods and its details, together with his recent attitude in seeking further employment with the company, a position and condition are created that equity should refuse preliminary relief on the ground of laches. The motion therefore is denied.

STEPHEN MERRITT BURIAL & CREMATION CO. V. STEPHEN MERRITT CO., *et al.**Special Term, New York County, August 8, 1912.*

TRADE-NAME.

The use by defendants of a trade-name colorably similar to that of the plaintiff in the same line of business, held to be wrongful and subject to injunction.

Hedges, Ely & Frankel, for plaintiff.
C. R. & C. U. Carruth, for defendants.

PAGE, J.—It is well settled that “every man has the absolute right to use his own name honestly in his own business, even though he may thereby incidentally interfere with and injure the business of another having the same name. In such case, the inconvenience or loss to which those having a common right are subjected is *damnum absque injuria*. But although he may thus use his name he can not resort to any artifice or do any act calculated to mislead the public as to the identity of the business firm or establishment, or of the article produced by them, and thus produce injury to the other beyond that which results from the similarity of name” (*Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S., 169, 187; *Howe Scale Co. v. Wyckoff, Seaman & Benedict*, 198 U. S., 118, 136; *Meneely v. Meneely*, 62 N. Y., 427). It is a fraud upon the person, firm or corporation who has established a trade and carries it on under a given name that some other person should assume the same name, or the same name with a slight alteration, or by advertisement or other device conduct the business in such a way as to induce persons to deal with him in the belief that they are dealing with the person, firm or corporation which has given a reputation to the name. It is dishonesty in the use of the name that is condemned and not the use itself (see *Higgins Co. v. Higgins Soap Co.*, 144 N. Y., 462). In the case at bar there can be no question but that the defendants have sought in every way possible to convey the impression to the public that their business was the old established business of Stephen Merritt. The facts in this case are very similar to those of the *Higgins Co. v. Higgins Soap Co.* (*supra*). In that

case the father of Charles S. Higgins had established in 1846, and subsequently carried on, the business of manufacturing soap for many years, and was succeeded by the son, who thereafter formed a corporation by the name of Chas. S. Higgins Co., of which he became president and a director, and continued in those capacities until 1892, when he was discharged or failed of re-election. Then he established the defendant company under the name of the Higgins Soap Co. In the case at bar, the undertaking business was established by the Rev. Stephen Merritt's father (whose name was also Stephen Merritt), and carried on by him for many years. The Rev. Stephen Merritt succeeded to the business in 1875, and in 1897 incorporated the Stephen Merritt Burial Co., of which he became president, which carried on the business until the plaintiff company was incorporated in 1899, and the good will, stock in hand, and all manner and kind of assets were transferred by the Stephen Merritt Burial Company to the plaintiff, the Rev. Stephen Merritt becoming president and a director thereof and still remaining such until August 7, 1911, when he failed of re-election. So far the facts in the two cases coincide. In the case at bar, however, Rev. Stephen Merritt did not organize a new corporation, but was employed by the defendant corporation, which had been incorporated ostensibly to deal in real estate, but with powers broad enough to permit it to carry on the undertaking business which it established in West One Hundred and Twenty-sixth street, far removed from the plaintiff's place of business. Immediately on the employment of the Rev. Stephen Merritt, the defendant corporation opened a place of business on the same avenue and within two blocks of the plaintiffs, and sought by advertisements, the use of the portrait of Rev. Stephen Merritt and otherwise, to convey to the mind of the public that the business of the original Stephen Merritt was conducted at that place. The counsel seek to distinguish the Higgins case by reason of the fact that the public was liable to be deceived in believing the product that was manufactured and put upon the market by the defendant was the product of the plaintiff, whereas in the case at bar there was no manufactured article that was placed upon the market. The vice of this contention is that the rule against unfair trade and competition is not

one for the protection of the public, but for the protection of the person whose trade is sought to be diverted by unfair means. It matters not what the business is. The original owner is entitled to be protected in his trade from those who seek to divert it by creating the impression that those who deal with them are dealing with the established and well-known concern of that name. In the case at bar, almost every step taken by the defendants shows a desire not to build up a business on their own merits, but to appropriate the business through the established reputation of the plaintiff. The practices of the defendants have been fraudulent as against this plaintiff from the inception of the incorporation of the Stephen Merritt Co., including the employment of the Rev. Stephen Merritt for the purpose of using his name and picture, and the appealing to the public not to be deceived by the claims of others, that this was the only original Stephen Merritt in the business, and in opening a place of business in the immediate neighborhood of the plaintiff. That the name may have been used improperly by others also in no defense, as no fact was shown tending to establish an abandonment of its trade-name by the plaintiff. One wrong will not justify another. On the contrary, that others have sought to appropriate the name tends to show that it was valuable. Judgment for plaintiff as demanded in the complaint, with costs.

[The relief demanded in the complaint was as follows:

1. That the defendant Stephen Merritt Co. and defendants Samuel L. Buckingham & Harvey S. Wynkoop be forever restrained and enjoined from carrying on funeral, embalming or undertaking business or other similar business under the corporate name of Stephen Merritt Co. or any other name, title or device of which the words "Stephen Merritt" or "Merritt" is a part.

2. That defendant Stephen Merritt, Jr. be forever restrained and enjoined from carrying on such funeral, embalming or undertaking business or similar trade under his own name or the name of Merritt, except with such statements as shall notify the public that such is not the original and established business of Stephen Merritt or the plaintiff, but is the separate venture of such defendant Stephen Merritt, Jr.

3. That the defendant Stephen Merritt, be forever restrained and enjoined from carrying on by himself or with others, any embalming, funeral or undertaking business under the name of Stephen Merritt or Merritt or associating himself with or entering the employ of any individual, partnership or corporation transacting such business under such name or title, or which shall advertise to the public the connection of said defendant therewith within the Borough of Manhattan, City of New York.

4. That each and all of the defendants be forever restrained and enjoined from soliciting or seeking to solicit custom or trade from the customers of the plaintiff, or from advertising their business as that of the original Stephen Merritt, or from advertising its connection therewith directly or indirectly, or from carrying on business in the Borough of Manhattan, under the name of Stephen Merritt, or Merritt.

5. That the defendants be required to account to plaintiff for all profits lost by the plaintiff by reason of the acts of the defendants hereinabove set forth.]

COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

DIETSCH BROTHERS V. LOONEN

(180 O. G., 1397.)

May 30, 1912.

1. CANCELLATION—FRAUDULENT USE.

It does not lie in the mouth of the petitioner for cancellation to urge as fraudulent and improper on the part of the registrant the same use of the mark on which they base their claim to cancel.

2. RED CROSS TRADE-MARK—PUBLIC POLICY.

The claim that the commercial use of the red cross symbol by the registrant is against public policy is answered by the act of Congress, which definitely declared to be lawful the use of such marks, the use whereof antedated the year 1905.

3. REGISTRATION—FOREIGN APPLICANT.

A foreign applicant need not file his application here within four months of application in his own country. If he does, he is entitled merely to claim the date when his foreign application was filed as that of filing in the United States.

Mr. J. L. Levy, for the appellants.

Mr. C. P. Goepel, for the appellee.

SHEPARD, C. J.—Deutsch Brothers appeal from a decision of the Commissioner of Patents denying an application for the cancellation of the registration of a trade-mark.

On March 20, 1906, Charles Loonen, a citizen of France, obtained registration of a trade-mark for tooth-brushes, consisting of the words "Red Cross" and the representation of a red Greek cross. Deutsch Brothers first made application to cancel this registration May 7, 1906. This was dismissed on appeal to the Commissioner October 10, 1908, affirming a decision to that effect by the Examiner of Interferences. The ground of the decision was that, for the want of a sufficient allegation of prob-

able injury, the Commissioner had no jurisdiction to entertain the application. December 10, 1908, Deitsch Brothers filed a new application alleging facts which were held sufficient to show injury. They alleged the adoption and use of the red-cross symbol in the year 1902 and its continuous use as a trade-mark. Loonen pleaded the decision of the former application in bar, and, by way of answer, alleged the adoption and use of the trade-mark in 1899 and continuously since. There was also a suit for infringement by Loonen against Deitsch Brothers involving the same mark, in the circuit court of the United States for the southern district of New York, the pendency of which was also pleaded. The proceedings in that case are not in the record.

The Examiner of Interferences and the Commissioner, successively, overruled the said pleas, but finding that Loonen had used the trade-mark since the year 1899, that his use was lawful, and his registration regular, decided in his favor and dismissed the application for cancellation.

The testimony is ample to show that Loonen used the red-cross symbol upon his tooth-brushes first in the year 1899. It was conspicuously branded thereon. Quantities of those brushes were shipped to his selling agent in the city of New York, and by said agent and his salesmen sold to the trade in several states of the union. That Loonen was the manufacturer and that this was his trade-mark was well-known to the trade. As Deitsch Brothers did not allege use of the mark until 1902, Loonen has clearly established his prior right. Upon evidence submitted by the same parties in the infringement suit heretofore referred to as pending, and which has since been decided, the learned district judge came to the same conclusion. (*Loonen v. Deitsch Brothers*, 189 Fed., 487, Reporter, Vol. I, p. 278.)

This conclusion renders it unnecessary to consider the effect of the former decision as a bar to the second application. In passing it by, we are not to be understood as intimating any opinion upon the question involved. As the evidence undoubtedly shows the prior use of the trade-mark by Loonen, we prefer to rest our decision upon that conclusion.

The question of the fraudulent or improper use of the trade-mark is satisfactorily discussed and settled in the opinion of

Judge Hand, in the case before referred to, and we see no occasion to add anything thereto. It hardly lies in the mouth of the applicants to urge as fraudulent and improper the same trade-mark use on which they found their claim to cancellation. As to the charge that the trade-mark use of the red-cross symbol was against public policy, prior to the year 1905, we entirely concur with Judge Hand, who in the opinion before referred to (189 Fed., p. 492) says:

The fifth defense is that it is against public policy to allow the red cross to become a trade-mark. This needs no answer after the acts of 1905 and 1910. Whatever may have been the policy before, Congress has now definitely declared in the *proviso* of the latter act that it will permit such marks if they antedated 1905. Congress had power so to legalize the use of it; the question of public policy was for it alone, and it is now finally closed.

See also *ex parte, Batchellor*, (85 O. G., 1583.)

The next contention of the appellants is that as Loonen registered his trade-mark in France in 1899 and did not apply for registration in the United States within four months thereafter, he is not entitled to the benefit of the Registration Act of 1905. The registration was had under Section 2 of that act which permits registration of a trade-mark by one who resides in a foreign country if he makes a statement that he has registered his mark in the foreign country, or applied for registration therein. There is no limitation as to the time of this prior registration or application. Section 4 is an independent provision relating to the effect of applications in foreign countries which extend the same effect to applications and registrations by our citizens. If such privilege be extended by them to citizens of the United States, such an application shall be accorded the same force and effect as would be accorded to the same application if filed in this country on the date on which it was first filed in such foreign country; provided that such application is filed in this country within four months from the date on which the application was first filed in such foreign country; and provided also that the certificate of registration shall not be issued until registration has been made in the country in which the applicant is located.

We agree with the Commissioner that—

the act does not make it compulsory for a foreign applicant to file his application in this country within four months after the application in the country in which he is located, but merely states that unless so filed it will not be entitled to the benefit of the date of the foreign application.

The decision is right and will be affirmed. It is so ordered, and the clerk will certify this decision to the Commissioner of Patents.

JACKSON CORSET CO. V. COHEN

(181 O. G., 268.)

April 1, 1912.

ASSIGNMENT OF TRADE-MARK.

There is no property right in a trade-mark, apart from the article with which it is associated and it can not be assigned except in connection with the business to which it relates. A transfer of the assets and business as a going concern, by an individual to a corporation organized by him, carries with it the right to the trade-mark.

Mr. Arthur Steuart and Mr. J. E. Cross, for the appellant.

*Mr. E. T. Brandenburg, Mr. J. F. Brandenburg, and Mr.
H. E. Stonebraker, for the appellee.*

ROBB, J.—This is a trade-mark interference proceeding involving the letters "J. C." or "J. C. C." as a trade-mark for corsets.

The evidence of the appellee tended to show that he adopted this mark in 1891 and gradually extended his business until, in the summer of 1909, he formed the Jaysee Corset Co., a corporation, of which he became president and to which he transferred his factory, stores, goods and business. That corporation thereupon proceeded to manufacture the "J. C." corset, which therefore had been manufactured by the appellee individually. No formal transfer of the trade-mark, however, was ever made to it. The corporation finally became bankrupt and appellee now claims that it was a mere license of the "J. C." trade-mark. It is unnecessary to notice other questions.

It is elementary that as the primary object of a trade-mark is to indicate the origin of the article to which it is affixed, there is no distinct property right in the mark separate from the article

with which it has been associated; in other words, the trade-mark may not be assigned in gross. While, under certain conditions, a limited interest by way of license may be created in a trade-mark, (*Nelson v. Winchell*, 203 Mass., 75,) the transfer of a plant, business and good will, under such conditions as surround the transfer in the present case, necessarily by operation of law carries with it the right to the trade-mark upon which the business is founded. (*Allegretti v. Chocolate Cream Co.*, 177 Ill., 129; *Seabrook v. Grimes*, 107 Md., 410; *Tomah Bank v. Warren*, 94 Wis., 151; *Merry v. Hoops*, 111 N. Y., 415.) Such was very evidently the understanding at the time the corporation was formed. The business and good will purchased amounted to little without the symbol of identification, that is, the trade-mark.

As the evidence of the appellant establishes a use of this mark prior to the bankruptcy of the Jaysee Company, it follows that, as between the parties to this record, priority should have been awarded appellant. The decision of the Commissioner will therefore be reversed.

COMMISSIONER OF PATENTS

EX PARTE, THE SHERWIN-WILLIAMS COMPANY

(181 O. G., 267.)

July 27, 1912.

DESCRIPTIVE TERM—"BRAS-BRITE."

The mark "Bras-Brite" is not registrable as a trade-mark for a polishing compound, since it is merely an obvious misspelling of the descriptive words "brass bright."

Messrs. Hervey & Barber, for the applicant.

BILLINGS, First Assistant Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to register appellant's mark consisting of the word "Bras-Brite" as a trade-mark for a polish for metal surfaces.

Registration was refused by the Examiner upon the ground

that the mark indicates a characteristic or quality of the goods, and therefore is not registrable in view of the prohibition in Section 5 of the Trade-Mark Act.

The mark is clearly a misspelling of the two words "brass" and "bright." It signifies that the goods upon which it is used is a polish for brass and that it will make brass bright. Labels filed with the application state that "Bras-Brite cleans and polishes brass, nickel, silver, copper and aluminum, etc.," thereby indicating that the polish is for brass as well as other metals.

The contention of appellant that the mark is merely suggestive is not well taken. On the contrary, the mark is believed to be clearly descriptive of a characteristic or quality of the goods—namely, that it will make brass bright or is a brass-brightener. The mark is believed to fall in the class with the following marks, which have been held to be descriptive, and to come within the prohibition of the statute: "Silver Dip," a preparation in which silver articles may be dipped, (*The Cobb Manufacturing Company*, 132 O. G., 233;) "Self-Loading" cartridges, (*The Winchester Repeating Arms Company v. The Peters Cartridge Company*, 134 O. G., 2030;) "Kleanwell" massage-sponges, (*ex parte, Smith*, 110 O. G., 601;) "Keep-Clean" toilet-brushes, (*Florence Manufacturing Company v. Dowd*, 178 Fed. Rep., 73;) "Kantleek" for atomizers, (*in re The Seamless Rubber Company*, 153 O. G., 547;) "New-Tone" varnish preparation, (*ex parte, Newton*, 160 O. G., 1037;) "Servself" sandwiches, (*ex parte, Brennan, Fitzgerald & Sinks*, 151 O. G., 449;) "Scotissue" paper towels, (*ex parte, Scott Paper Company*, 173 O. G., 287.)

The decision of the Examiner of Trade-Marks is affirmed.

J. & RILEY CARR V. THE WILLIAM SCHOLLEHORN COMPANY V.
WARREN AXE & TOOL COMPANY V. GEO. H. BISHOP & CO.
V. RADIGAN, RICH & CO. V. GRAEF V. E. C. ATKINS
& COMPANY.

(181 O. G., 265.)

July 16, 1912.

1. DESCRIPTIVE TERM—"STANCH" FOR FILES.

The word "Stanch" is not descriptive of files.

2. CONFLICTING MARKS—CONSENT OF PRIOR REGISTRANT—DOUBT RESOLVED
IN FAVOR OF APPLICANT.

Where there is a reasonable doubt whether there is deceptive similarity between the mark of an applicant and that of a prior registrant and the consent of the latter to the registration is filed, the doubt should be waived in favor of the applicant.

Mr. G. P. Whittlesey, for J. & Riley Carr.

Messrs. Beach & Fisher and Messrs. Bacon & Milans, for
The William Schollhorn Company.

Mr. James Hamilton, for Warren Axe & Tool Company.

Messrs. H. B. Willson & Co., for Geo. H. Bishop & Co.

Messrs. Mastick & Jones, for Radigan, Rich & Co.

Messrs. Goepel & Goepel, for Graef.

Mr. Chester Bradford and Mr. Ernest W. Bradford, for
E. C. Atkins & Company.

MOORE, Commissioner.—This is an appeal by The William Schollhorn Co. from a decision of the Examiner of Trade-Marks denying its motion to dissolve the interference on the ground that its mark is not so similar to that of J. & Riley Carr, the applicant, that their simultaneous use upon goods of the same descriptive properties would be likely to cause confusion in the mind of the public and that the goods upon which these marks are used are not of the same descriptive properties.

The Mark of The William Schollhorn Co. consists of the representation of a dog having thereon the word "Bernard." The goods upon which this mark is used are stated in the registration to be nippers, pliers, wrenches, and hand-tools. In connection with the motion to dissolve there was filed an affidavit of the secretary of The William Schollhorn Co. that it had never manufactured files, that it disclaimed all right to use this trade-mark involved herein on files, and that it had no objection to the registration by J. & Riley Carr of the representation of a dog as a trade-mark for files.

The mark shown in the application of J. & Riley Carr as filed consists of the representation of a dog and the word "Stanch." The firm of J. & Riley Carr is domiciled at Sheffield, England, and the mark shown in its British registration, a copy of which accompanies the application, consists of the representation of a dog and the word "Stanch." In the application as originally

filed the particular description of goods included a large number of tools in Class 23; but the particular description has now been limited by amendment to files. In the early prosecution of the case, applicant was required to disclaim the word "Stanch" on the ground that it was descriptive of the goods. In my opinion this requirement was an error, since I do not regard the word "Stanch" as descriptive of files, and before the mark is passed for registration this disclaimer should be required to be canceled, leaving the mark as applied for identical with that of the British registration.

The Examiner denied the motion to dissolve, holding that the goods of the two parties were of the same descriptive properties and that the marks were so similar as to be likely to cause confusion in trade, since the goods of both might well be designated as the "dog" brand.

While the marks of J. & Riley Carr and The William Schollhorn Co. each shows a dog, one of these marks includes also the word "Bernard" and the other the word "Stanch." In the case of *Summit City Soap Works v. Standard Soap Co.* (174 O. G., 587; 37 App. D. C., 604) the court, after stating that one of these marks included the word "Mammoth" associated with the picture of the head and shoulders of that prehistoric animal, while the other included a mother washing her child and the words "Rub-No-More-Soap," said:

The Commissioner turned the case upon the recent decision of this court in *Nestle & Anglo-Swiss Condensed Milk Co. v. Walter Baker & Co., Ltd.* (37 App. D. C., 148). In that case the marks were used on cocoa, chocolate, broma and cocoa preparations. The mark of the appellant consisted of the picture of a milkmaid in Swiss costume carrying a milk-pail in her right hand and another on her head, with the words "Milkmaid Brand;" while the mark of appellee consisted of the picture of a waitress in Puritan or Quaker costume carrying a tray supporting cups.

It was there held that the words "Milkmaid Brand," used in connection with the picture, was a distinguishing feature of the mark. Here the word "Mammoth" and the words "Rub-No-More-Soap," appearing as parts of the respective marks, may be held to be distinguishing features. Their tendency, we think, is not to attach to the products bearing these marks the trade-name, "Elephant Brand." The word "Mammoth" instantly attracts attention to the distinction plainly apparent between the pictures, which are the dominating features of the marks. The slight tendency there would be to confusion from the similarity of the pictures is removed by the suggestion on the label itself of the distinction which, in fact, plainly exists. The inclusion of the name of the animal illustrated

on appellee's mark so distinguishes it from appellant's mark as to remove the probability of confusion.

There is sufficient doubt as to the likelihood of confusion between the two marks involved in this appeal to justify the dissolution of the interference so far as The William Schollhorn Co. is concerned. In the case of the *Wayne County Preserving Co. v. Burt. Olney Canning Co.* (140 O. G., 1003; 32 App. D. C., 279) the court said that any doubts as to the registrability of a mark should be resolved in favor of the registrant. The present case, however, is distinguished from that in that the registrant is moving to dissolve the interference and has filed under the oath of its secretary a consent to the registration of the mark of J. & Riley Carr for files.

The decision of the Examiner of Trade-Marks is reversed, and it is held that the interference should be dissolved so far as the application of The William Schollhorn Co. is concerned.

EX PARTE, ROSENTHAL BROTHERS.

(181 O. G., 541.)

July 20, 1912.

GOODS OF SAME DESCRIPTIVE PROPERTIES.

Silk fabrics are goods of the same descriptive properties as shirtings, cambrics, drills, cotton velvets, and knitted cotton piece goods.

Mr. Stephen B. Rosenthal, for the applicant.

MOORE, Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to register as a trade-mark for "silk fabrics sold in the form commonly known as 'piece goods'" a mark consisting of the representation of the fore parts of two elephants holding a piece of material in their trunks.

Registration was refused in view of the following registered marks: Rogers & Thompson, No. 61,311, March 12, 1907; Meyer, No. 84,330, November 28, 1911; Meyer, No. 84,331, November 28, 1911.

Appellant contends that the goods to which it applies its mark are not of the same descriptive properties as those named in the

last two registrations cited and that there is no such similarity between its mark and those cited as would lead to confusion.

The two marks of Meyer which have been cited are applied to shirtings, cambrics, drills, checked and striped cotton fabrics, white and colored cotton prints, cotton velvets, cotton merino, satin and batiste, and knitted cotton piece goods, in Class No. 42, Knitted, netted, and textile fabrics. Applicant's mark is applied to silk fabrics. These goods are, in my opinion, of the same descriptive properties. The purchaser of one class of goods would upon seeing a similar mark placed upon the other class naturally conclude that they were put out by the same manufacturer. Substantially the same question was decided in the case of *Jackson Co. v. Rogers & Thompson*, (174 O. G., 1025,) in which it was held that cotton sheetings and shirtings, cotton piece goods, blankets, etc., on the one hand, and "silk and cotton and silk mixed piece goods," on the other hand, were goods of the same descriptive properties. Applicant in quoting the syllabus of this decision inserted a comma after "cotton," so that the phrase reads "silk and cotton, and silk mixed piece goods," which would indicate that all the goods contained a mixture of cotton. The comma does not appear either in the syllabus or in the body of the decision, so that the holding was made to apply to "silk and cotton and silk mixed piece goods," and a reference to the file of Rogers & Thompson proves clearly that the sense of the expression is "silk piece goods and silk and cotton mixed goods."

The mark of Rogers & Thompson which is applied to silk goods is an Oriental scene, the prominent feature of which is the fore part of a large elephant situated in the foreground of the scene. The mark in registration No. 84,330 is the representation of an elephant standing upon his hind legs, holding a pair of shears and a piece of fabric. The trade-mark in No. 84,331 is the representation of an elephant fantastically dressed, jumping over a rope. The predominating feature in each of these marks, as in applicant's mark, is the representation of an elephant, and I am clearly of the opinion that the marks bear such a resemblance that their simultaneous use would be likely to lead to confusion in the mind of the purchaser.

The decision of the Examiner of Trade-Marks is affirmed.

DIGEST OF MANUSCRIPT DECISIONS

Who may register.

A corporation of the State of California, made up of nine associations of fruit growers, for which it merely acts as selling agent, not owning the fruit sold and not controlling the character of the fruit, is not the owner of the trade-mark applied to the fruit, and can not register the mark. This is indeed shown to be the case by the fact that the goods are marked only with the name of the particular association by which it is grown. That the several associations lose the right to use the mark when they withdraw from the exchange, does not make the mark the property of the exchange in a trade-mark sense. ⁽¹⁾

What may be a Trade-Mark.

A red color applied to a band of metal encompassing the upper part of a broom and forming a structural feature of the broom is not a good trade-mark. The evidence shows that it is necessary to paint the band to protect it from rust and no one can have a trade-mark in a mere color. (*Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 201 U. S., 166.) ⁽²⁾

Descriptive Terms.

The word "Tite-oke," as a trade-mark for leather boots and shoes, was rejected by the examiner as descriptive, indicating that the boots and shoes were of oak tanned leather and water tight. In reversing the decision of the examiner, the Commissioner said the words may be capable of the analysis given by the examiner, but it is not a term in ordinary use in the English language and its use as a trade-mark by the applicant does not sequester any word or term that could be used by the public in describing water-proof tanned leather for shoes. ⁽³⁾

The word "Household" for peroxide of hydrogen is refused

(1) *Strawn v. The Ontario-Cucamongo Fruit Exchange*, January 6, 1912.

(2) *Indianapolis Brush & Broom Mfg. Co. v. Joseph Lang Co.*, July, 1, 1912.

(3) *Ex parte, Fred F. Field Co.*, December 9, 1911.

registration as descriptive. The label shows that the word was used to denote the applicability of the preparation to the uses of the house, as in the case of the well-known preparation "Household Ammonia." Prior registrations for coffee, matches, whiskey, furniture polish, and other articles do not affect the question of the registrability of the word, since their propriety is not in issue. (1)

Application to register the name "Turknit" for towels and wash cloths was properly rejected. The term indicates that the goods have a nap like Turkish toweling, or are made in Turkey, or are of Turkish style or pattern. The word "Turkish" has a well-understood meaning, indicating a rough fabric with a long nap, usually of uncut loops. The mark must, therefore, be either descriptive or deceptive. (2)

The words "Duo Fold" for paper, especially in double form, was rejected by the examiner as descriptive. He holds that it had a two-fold meaning, that the paper was either folded twice, was of double thickness or was of two-fold use. The term, the Commissioner says, may mean two-fold, but the fact that the examiner suggests three widely different ways in which it may be applicable shows that it has no fixed or well-understood descriptive meaning and should be registered. (3)

A mark consisting of the picture of an aeroplane with the letters and figures "B4 Any" is descriptive in the same sense as the words "best" or "excellent." The fact that the mark has been registered in the foreign country of the applicant does not require that it be accepted for registration in the United States. (4)

The word "Brilliant" as a mark for wheat flour is not descriptive of flour in any sense, nor is it geographical, although three small towns in the United States are known by that name. (5)

(1) Ex parte, Duosep Chemical Co., January 6, 1912.

(2) Ex parte, Putnam Knitting Co., January 11, 1912.

(3) Ex parte, J. C. Blair Co., April 3, 1912.

(4) Ex parte, William Jessop & Sons, Ltd., June 7, 1912.

(5) Sauers Milling Co. v. Kehlror Flour Mills Co., June 14, 1912.

Geographical Terms.

The words "Durham Derby," written with the D's enclosing all the remaining letters of each word, are registrable. The word "Derby" has another than a geographical significance, which is paramount in the minds of the purchasing public to its geographical meaning. Any doubt as to the registrability of the words in the form shown should, in any event, be resolved in favor of the applicant, in view of the prior registration by the company of the words "Durham Duplex" in the same form, No. 70,855. (1)

The Olympia Brewing Company, located at Olympia, Washington, applied to register the mark "Olympia" for beer. The word is considered as having a dominant mythological and historical significance as referring to the city of the sanctuary of Zeus and of the Olympic games, and is not, therefore, geographical. (2)

On an application to register the name "Troy" for shirts and collars under the ten year clause of the act, an opposition alleging that the opponent had advertised his goods as "Troy" goods, used in its geographical sense, is not demurrable. Opponent could not use it in any other way, because the term being geographical; it could not be a trade-mark, and the geographical use in connection with the manufacture and sale of his goods, is sufficient to bar the pending application.

On rehearing, granted because of the decision of *Thaddeus Davids & Co. v. Davids*, (Reporter, Vol. 2, p. 45,) it was argued that under the Davids decision the registration of the word "Troy" would not give any right against the geographical use of the word by another, and therefore that there was no ground for the opposition. Held, however, that this was not so, because surnames stand on a different footing from geographical terms. Every person is entitled to the use of his own name. (Citing, *Wm. A. Rogers v. International Silver Co.* 129 O. G., 3503.) (3)

(1) Ex parte, Durham Duplex Razor Co., January 4, 1912.

(2) Ex parte, Olympia Brewing Co., March 6, 1912.

(3) *Cluett Peabody & Co. v. Timm & Co.*, March 25, 1912.

Statutory Use of Mark.

The use of a trade-mark on sample cans of a road-making solution, in gallon size, is not sufficient to lay the foundation for an application to register. The quantity shipped was too small to be put to any use and the evidence shows that the shipment was only for the purpose of filing an application. ⁽¹⁾

Evidence of the use of a trade-mark on goods made for the applicants in the United States and consigned to them in Liverpool, England, is sufficient to show their title to the mark in the United States. Proof of sale by the consignee is not required. Such sale will be presumed (*Johnson & Johnson v. Whelan*, 142 O.G., 569). The doctrine that a foreigner has no common-law right to a trade-mark in the United States against a native who has used it before the former sold goods in this country, is not applicable to the present facts. (*Richter v. Reynolds*, 59 Fed. Rep., 577.) ⁽²⁾

A foreign applicant need not show use of the mark in this country in order to be entitled to registration, but should be compelled to show *prima facie* use here before he is granted an interference with others whose registrations were obtained before he filed his application in this country. ⁽³⁾

Date of Use.

The date of first use is to be determined by the applicant, but the date should be that of first use of the mark sought to be registered and not of some other mark. A ram's head is obviously not the same mark as the representation of a ram. Whether the one is an infringement on the other is not in question. The applicant seeking to register the head of a ram is not entitled to claim for the mark the date of the first use of the representation of the entire ram. Whether the earlier date might avail in interference when the facts were shown is not in question. ⁽⁴⁾

A registrant who has taken no testimony, relying upon his

(1) *Paterson v. Hay*, July 2, 1912.

(2) *Kruger, Darsie & Co. v. Marmon*, May 10, 1912.

(3) *W. A. Ross & Bro. v. Bergdoll Brewing Co., et al.*, June 5, 1912.

(4) *Ex parte, Aetna Mills*, July 5, 1912.

registration as evidence of use, is restricted to the date of registration as the earliest date of use he can claim. ⁽¹⁾

Evidence of Use.

Question of the sufficiency of evidence to establish date of use of a mark, applied by means of a die to the bottom of cans and like receptacles. Witnesses testified to the change of some of the dies during the year 1907, but not all the dies were changed before 1908. The application alleged use of the mark since October 1, 1908. Witnesses testified that, as the dies were in current use, they must have been put back into use as fast as changed, and therefore that the first use must go back to the fall of 1907. The Commissioner held, however, that this was merely a matter of inference and it was more reasonable to suppose that none of the dies were used until all were changed, which brought the date of use later than that established by the opponent. ⁽²⁾

Question of the sufficiency of evidence to establish date of use of the trade-mark "North Pole." The evidence was the testimony of witnesses from memory as to events claimed to have happened in 1893 or 1894. There was no written or documentary evidence of use of the mark prior to 1898. This lack was sought to be explained by a flood which in 1894 was said to have destroyed all the records of the company in the basement of its building. The Commissioner said that the explanation was insufficient to account for the entire absence of such evidence and that the evidence offered was insufficient to prove the date of use claimed. ⁽³⁾

The positive testimony of witnesses, unimpeached or uncontradicted, as to facts that would naturally be within their own knowledge and tending to establish the date of use of a mark, can not be ignored, even though the witnesses are connected with an interested party, and even though their evidence is not corroborated by documentary evidence. ⁽⁴⁾

(1) Voegeli Bros. Drug Co. v. Knox, January 6, 1912.

(2) Detroit Can Co. v. Heekin Can Co., April 23, 1912.

(3) Maine Mfg. Co. v. Grand Rapids Refrigerator Co., April 18, 1912.

(4) The Voegeli Bros. Drug Co. v. Knox, January 6, 1912.

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UNITED STATES CIRCUIT COURT OF APPEALS

CHARLES E. HIRES CO. v. VILLEPIGUE.

(196 Fed. Rep., 890.)

Eighth Circuit, May 14, 1912.

UNFAIR COMPETITION—INJUNCTION.

The sale as "Hires Root Beer" of a beverage made from a concentrated extract prepared and sold by complainant will not be enjoined, where defendant voluntarily ceased the practice, as soon as informed of complainant's objection and the evidence negatives any intent on defendant's part to defraud. Whether the acts complained of constitute unfair competition, *quære*.

On appeal from a decree of the circuit court, district of Kansas, in favor of defendant.

Oliver Mitchell (*Mitchell, Chadwick & Kent*, on the brief),
for appellant.

Shelby C. Brown and *Bruce H. Grigsby* (*Brown & Grigsby*,
on the brief), for appellee.

Before SANBORN, ADAMS and CARLAND, Circuit Judges.

CARLAND, Circuit Judge.—This action was instituted to restrain what is alleged to have been fraudulent and unfair business competition in the use by appellee of appellant's trade-name.

The circuit court on final hearing dismissed the bill. The facts which in our judgment compel the affirmation of the judgment of dismissal appear in the record as follows:

From 1877 to 1890, Charles E. Hires was engaged in the manufacture of root beer preparations. In 1890 he sold his business, together with formulas, to the Charles E. Hires Company, the appellant herein. Since 1890 the appellant has been engaged in the manufacture of extracts for making beverages, and the manufacture of a beverage called "Hires." The word "Hires" was registered by the appellant as a trade-mark on June 26, 1906, in the United States Patent Office. The class of merchandise upon which said trade-mark was claimed to be used was root beer, root beer extract, and the dried ingredients for making root beer.

In 1904 the appellant put upon the market, sold, and advertised a fountain syrup for making root beer. It has spent \$100,000 a year in advertising this syrup. The annual sales have amounted to more than \$500,000. In 1888 Charles E. Hires put upon the market a preparation in liquid form for making root beer. This preparation was called "Hires Improved Root Beer." One package was sufficient to make five gallons of beer. Subsequently the name of this package in liquid form was changed to "Hires Household Extract," and it is still sold as such.

In 1909 the appellee was a dispenser of soft drinks at Chanute, Kan. He advertised and sold what he called "Hires Root Beer." This beer was purchased in tanks from Charles W. Brown, proprietor of the Brown Pharmacy, at said town of Chanute. Brown made the beer that he sold to appellee from Hires Improved Root Beer package hereinbefore described. In a circular issued with each package of Hires Improved Root Beer, giving information as to the preparation of root beer from the liquid extract, the preparation when made was designated "Hires Root Beer."

The appellant claims that, while any person might purchase a package of Hires Improved Root Beer or Household Extract and do what he pleased with the same, he could not make beer from the same and call it "Hires." We do not stop to consider the validity of this claim, or as to whether, under the evidence, ap-

pellée is shown to have been in business competition with the appellant. We are satisfied that the judgment below must be affirmed for the following reasons:

The appellee never knew that the appellant had any objection to his advertising and selling the beer which he sold as Hires Root Beer until he was served with process in this action, and when so notified he immediately ceased selling. He knew how the beer was made by Brown, but had no knowledge that would lead any prudent person to suspect that the beer which appellant in his circular called Hires Improved Root Beer could not be so called by him. We apprehend that, if appellee had sold root beer made from appellant's fountain syrup, there would have been no trouble.

This is not a case of infringement of trade-mark, but to restrain unfair business competition; in other words, to restrain appellee from selling to the public under appellant's trade-name a root beer that is not in fact that of appellant. In this class of cases, before a bill for injunction will be sustained, there must be evidence that will satisfy the court that there was a wrongful intent in fact, or justify the inference from the inevitable consequences of the act complained of. *Elgin National Watch Company v. Illinois Watch Company*, 179 U. S., 665, 21 Sup. Ct., 270, 45 L. Ed., 265; *McLean v. Fleming*, 96 U. S., 245, 24 L. Ed., 828; *Lawrence Mfg. Company v. Tennessee Mfg. Company*, 138 U. S., 537, 11 Sup. Ct., 396, 34 L. Ed., 997; *Day v. Webster*, 23 App. Div., 601, 49 N. Y. Supp., 314; *Goodman v. Bohls*, 3 Tex. Civ. App., 183, 22 S. W., 11; *N. K. Fairbank Co. v. Windsor*, 124 Fed., 200, 61 C. C. A., 233; *Faber v. Faber* (C. C.), 124 Fed., 603; *Lamont, Corliss & Company v. Hershey* (C. C.), 140 Fed., 763.

In the case at bar there is no evidence that the appellee intended in any way to defraud the appellant, and no such inference can be drawn from the sale itself. The appellee ceased from doing the act complained of as soon as he knew that the appellant objected.

Decree affirmed.

UNITED STATES DISTRICT COURT

MOXIE COMPANY V. DAOUST.

(197 Fed. Rep., 678.)

District of New Hampshire, June 22, 1912.

UNFAIR COMPETITION—IMITATION OF BOTTLE.

Practical identity in the form of the defendant's bottle for a beverage, with that used by the complainant in the sale of a well-known beverage of a like character, does not of itself constitute unfair competition. Distinctive markings on the bottles themselves, combined with advertising intended to create a reputation for defendant's goods, refute the charge of unfair competition.

In Equity. On final hearing.

Mitchell, Chadwick & Kent, for complainant.

P. H. Sullivan, for defendant.

ALDRICH, District Judge.—In this case, the complainant asks for an injunction upon the ground that the defendant is engaged in unfair competition.

The complainant, through extensive advertising, has built up a very considerable reputation for the beverage known as Moxie, and it is claimed that their transparent glass bottle, of a novel and distinctive shape, is such that the consuming public recognizes the bottle, in which the color of the contents is shown, and that the defendant's bottle and the color of the beverage are so like the complainant's in visual appearance that the purchasing public accept the defendant's beverage, thinking it to be Moxie, when it is not. The complainant's trade-mark "Moxie" is registered and the name blown in its bottles. The defendant's trade-mark "Bo-La" is blown in the bottles, with other figures, which clearly indicate, if examined, the advertisement of a different article from that known as Moxie.

The evidence sufficiently shows that the defendant's beverage was originally put up in champagne bottles, which have a well-known shape, and different from that of the Moxie bottle. The defendant changed the champagne bottle to a Simpson bottle, which he says he liked better, and, after certain experiments, ordered large quantities made, of clear glass and of the shape of

the Simpson bottle, which is unquestionably of a shape like that^{of} of the Moxie bottle. The Simpson bottle which he used at first had ornamental flutings about the top and bottom of the body of the bottle. The defendant's explanation of the change is that he found a shortage of empty champagne bottles in the market, that he liked the Simpson bottle better, and, discarding the flutings, had sufficient quantities made with markings of his own.

Under the holdings in the *Singer Case*, 163 U. S., 169, 16 Sup. Ct., 1002, 41 L. Ed., 118, and the *Dictionary Cases*, which were trade-mark cases, reported in (C. C.) 150 Fed., 638 and 170 Fed., 167, 95 C. C. A., 423, and that of the *Yale & Towne Manufacturing Co. v. Worcester Manufacturing Co.*, 195 Fed., 528, which was a patent case, decided in the Court of Appeals for the First Circuit, April 9, 1912, where the complainant's case was largely predicated upon the idea of the same visual appearance, I think the complainant here has not made out a case for relief upon the ground of unfair competition.

The Moxie bottle has a metal top which holds over the neck of the bottle through pressure, while the defendant's has a rubber stopper forced into the snout of the neck of the bottle and held by wire mechanism. The complainant's bottle is marked in two places with the words, "Trade-Mark," while the defendant's bottle has blown on its body, in prominent letters, "Registered," with the word "Bo-La," in association with the emblem of an eagle with spreading wings, and the words, "Manufactured by Dan Daoust, Manchester, N. H.," prominently blown in the bottle, all upon a sunken base surrounded by a circular line. The labels are distinctively different in color and design; the defendant's word "Bo-La" being surrounded with red ornamental lines, with the word "Bo-La" in red letters, and the name of the manufacturer and place of manufacture distinctly and prominently set out, and prominently surmounted by an eagle, with spreading wings, and arrows in its claws, while the complainant's label has the word "Moxie," and specifies the Moxie Company of New York and Boston as proprietors, all of which is emphasized by the figure of a woman with bared arms, and a shoulder load of grain.

The case is pretty strong upon the visual shape of the bottles,

but under the doctrine of the cases to which I have referred, especially that of the Yale & Towne case, the visual shape is not always a controlling factor.

The distinctive markings, supplemented by the extensive and elaborate pictorial advertising of the Bo-La proprietor, make it clear that the defendant was not building upon the name or reputation of Moxie, but trying to create a reputation for Bo-La.

I do not think the complainant has sustained such a proposition of unfair competition as entitles it to equitable relief, and the bill should be dismissed, and it is so ordered.

MOXIE COMPANY v. BAGOIAN.

(197 Fed. Rep., 680.)

District of New Hampshire, June 22, 1912.

UNFAIR COMPETITION—USE OF MARKED CONTAINERS.

Drinking glasses furnished by the complainant, and prominently marked with the name of complainant's beverage, "Moxie," and intended to be used in dispensing the same, can not be fairly used to dispense another and competing beverage. Their use for such purpose constitutes unfair competition and will be enjoined.

UNFAIR COMPETITION—COSTS.

When the complainant prevails only upon an inconsequential part of its case, but fails on the main branch thereof, costs should not be awarded to either party.

In Equity. On final hearing.

Mitchell, Chadwick & Kent, for complainant.

John M. Stark, for defendant.

ALDRICH, District Judge.—So far as concerns the claim of unfair competition, based upon the ground of visual appearance, and the other phases having reference to the manner in which Bo-la is put upon the market, this case is controlled by the result reached in *Moxie Co. v. Daniel Daoust*, 197 Fed., 678, June 22, 1912 [*ante*, p. 394].

The present case, however, involves an additional phase. The evidence shows that the defendant sometimes served Bo-La in Moxie glasses, which had been put out by the Moxie Company to him when carrying the Moxie beverage, and in these

glasses the word "Moxie" was prominently blown. It is, of course, reasonable to assume that the Moxie Company did not intend these glasses furnished to their dealers, to be used in connection with other beverages, and I think the defendant's use of the glasses was wrongful, and that an injunction should issue under that feature of the bill. The defendant thus prevails upon the substantial branch of the complainant's case, and fails on that phase which, though wrongful in this particular case, is practically inconsequential, and, as a result, I think there should not be costs either way. A decree will be drawn in accordance with this opinion.

THE COCA-COLA COMPANY V. AMERICAN DRUGGISTS SYNDICATE,
et al.

Southern District of New York, Oct. 7, 1912.

TRADE-MARK—VALIDITY—INFRINGEMENT.

The name "Coca-Cola," applied to the complainant's beverage, is a good and valid registered trade-mark and is infringed by the use of the term "Extract of Coca and Kola" for a like drink.

In Equity. On motion for a preliminary injunction.

Harry D. Nims, for complainant.

D. Raymond Cobb and *Philbin, Beckman, Menken & Griscom*, for defendant.

LACOMBE, C. J.—In the *Coca-Cola Company v. Nashville Syrup Company* (U. S. District Court, Middle District of Tennessee, July 8th, 1912) [Reporter, Vol. II, p. 318], it was held, in a carefully considered opinion, that complainant had a valid registered trade-mark in the term "Coca-Cola" applied to the well-known soft drink which it makes and vends. This conclusion I am inclined to accept as correct; the only question left is whether in undertaking to afford relief against the use by others of a similar term, the court should enjoin the defendants from selling the preparation which the defendant syndicate makes under the term "Extract of Coca and Kola."

It is no substantial departure from the term "Coca-Cola" to spell either or both words with a K, or to substitute for the

hyphen the conjunction "and" or an ampersand, and it seems not to be a sufficient differentiation to call the compound an extract, or an elixir, or a decoction.

For obvious reasons both sides insist that the cola constituent of their respective compounds has been thoroughly decocainized, thus depriving it of its peculiarly characteristic element. There is not in the record any satisfactory evidence that a combination of decocainized coca with cola has ever been used, or is usable, in medicine or in the arts or any otherwise than as a soft drink. Under these circumstances it would seem that complainant is entitled to an injunction against the further use of the term "Extract of Coca and Kola," or any similar name as the name of defendant's soft drink. That the drink as sold is concentrated so as to require dilution by the dispensing druggist and the addition of sweetening to make it a soft and palatable ingredient to be added at the soda fountain to aerated water, seems immaterial.

The operation of the injunction will be stayed for sixty days after entry of the order.

CHARLES B. PERKINS V. APOLLO BROS., INCORPORATED

(197 Fed. Rep., 476.)

Eastern District of Pennsylvania.

1. UNFAIR COMPETITION—ELEMENTS.

Unfair competition is not shown where two brands are not offered on the same market, do not in fact compete, and defendant adopted the plaintiff's name in ignorance of its prior use by plaintiff.

2. GEOGRAPHICAL TERM.

A geographical term may be a trade-mark and the right thereto becomes exclusive, when it has acquired a secondary meaning as indicating the goods of a particular maker.

In Equity. On final hearing.

Edward M. Biddle, Charles L. McKechn and Joseph S. Clark, for complainant.

Albert W. Sanson and Hector T. Fenton, for respondent.

J. B. MCPHERSON, District Judge.—This action seeks to restrain the defendant from unfair competition in the sale of cigar-

ettes, and also from the use of a trade-name averred to belong to the plaintiff.

The evidence does not support the charge of unfair competition. The two brands of cigarettes are not offered to the same market, and do not compete in fact. No deception or attempted deception was proved, and I incline to the belief (which is relevant on this branch of the case) that the defendant adopted the name used on its brand in ignorance of the name used by the plaintiff.

The real contention is about the trade-name. The name on the plaintiff's brand is "Nubia"—in the singular number—and the name on the defendant's is "Nubias"—apparently in the plural. The plaintiff was in the field several years before the defendant, and it seems hardly open to discussion whether the later name resembles the earlier so closely as to infringe. As I think, they are practically identical, and therefore, although the dress and the devices used on the respective packages are dissimilar, nevertheless the name is not at the defendant's service if the plaintiff has a prior and a better right. And it makes no difference that the plaintiff's market may be for the present somewhat restricted, nor that the defendant and the plaintiff are not yet appealing to the same trade. At any time these conditions may change, and it seems clear that if the plaintiff has acquired a right, either exclusive or qualified, to use the name "Nubia," the defendant can not trespass upon his right, whether it be complete or limited.

How extensive, then, is the plaintiff's right? If "Nubia" were an arbitrary word, his right would be undoubted and complete. He is the only seller of Nubia cigarettes, and has sold many thousand during the last fourteen years. If the name were arbitrary, "Nubias" could not be used under any circumstances, no matter how innocent might be the defendant's state of mind, nor how slight the actual competition. The plaintiff's right of property in the name could not be interfered with, and the defendant would be obliged to exercise its ingenuity in constructing another word. But, of course, "Nubia" is not an arbitrary word. It is the name of a country in Africa, a province of Egypt, and, since it is a geographical name, its use as a trade-

name is subject to some restrictions. It is not correct to say that a geographical name may never be used as a trade-name; on the contrary, a merchant may use it freely, but, as a general rule, he can not acquire an exclusive right thereto. Other merchants may use it as freely as he, unless it has acquired a secondary meaning in his hands, and in that event such meaning will receive due protection. It is therefore necessary to inquire what "Nubia" should be held to mean as the plaintiff is using it, and this, I take it, is a question of fact here as in similar inquiries. And at this point it should be further noted that the plaintiff has reinforced the obvious suggestions of "Nubia" by the pictorial devices that he adds upon his packages. He depicts a desert scene, in which camels and pyramids are shown, and there are also some columns and an arch that are Egyptian in style. I can not doubt that the name and these devices taken as a whole were intended to suggest, as they certainly do suggest, that the tobacco in the cigarettes is of Egyptian or of Turkish origin. They might also suggest—and this is the only other alternative—that the cigarettes had been made in Nubia, or at least in Egypt; but this possible suggestion is negatived by the appearance of the plaintiff's name and address in a conspicuous position on the package: "Charles B. Perkins, Boston, Mass., U. S. A." I think, therefore, that the inference should be drawn that the word "Nubia" with its surroundings on the plaintiff's package, means that the tobacco is Egyptian or Turkish in origin, both Nubia and Egypt being included within the Turkish Empire. And this is true in fact, for the plaintiff's cigarettes are made of Turkish tobacco, which is a distinctive name for a well-known kind of tobacco, irrespective of the particular country or province in or near the Turkish Empire where it may be grown. As far as the evidence discloses and my general knowledge on the subject extends, there is no distinctive kind of tobacco known as "Nubian," and certainly not in the sense in which it is customary to speak of Turkish or of Sumatra, or even of Virginia or of Burley tobacco. No doubt, tobacco is grown in the country of Nubia, but there is no evidence that its kind is distinctive, or its quantity unusual, or that much of it is exported. I venture to affirm that it has no place in the American market by reason of any dis-

tinctive quality, and has acquired no place there by the name of "Nubian" for any reason.

In a word, I do not find in this record sufficient evidence to support the argument that the plaintiff's trade-name of "Nubia" is telling an untruth or is intended to deceive the public. I think it means no more than I have already indicated, namely, that the package contains cigarettes of Turkish tobacco made by Charles B. Perkins in Boston. These are undoubtedly the facts, but for the purposes of this case I shall assume that such use of the name does not give the plaintiff an exclusive right thereto under any and all circumstances. I shall treat it as a geographical name, pure and simple, but even then I think the plaintiff's right is superior. If the defendant were making cigarettes in Nubia, or were making cigarettes in the United States out of Nubian tobacco, it would have a right to call them "Nubias" or any other similar name to indicate where they were made or where the tobacco was grown. But neither of these suppositions is true. The defendant's business and the plaintiff's business are in part exactly alike. They both manufacture cigarettes in the United States, not out of Nubian, but out of Turkish tobacco, and I think no sufficient reason has been pointed out for allowing the defendant to use a name to which the plaintiff has acquired a prior right by prior and continuous use. Both parties are doing the same thing, and are seeking to use the same name for the same purpose. Neither has the slightest connection with Nubia or with Egypt, except that both use Turkish tobacco. The dispute is between American manufacturers about the use of a trade-name which both happen to like, and (for all that is shown by the evidence) which both appear to have chosen and to be using innocently enough. It seems to be a situation where a court may properly apply the maxim, "Prior in tempore, potior in jure."

The plaintiff is entitled to a decree against Apollo Bros., Incorporated, in accordance with this opinion.

GARCIA V. GARCIA.

(197 Fed. Rep., 637.)

Eastern District of Wisconsin, July 9, 1912.

1. UNFAIR COMPETITION—TRADE-NAMES.

The use of the trade-name "F. Garcia & Bro.," "Garcia Bros.," or any like combination of the name "Garcia" with the suffix "Bros.," held to be unfair competition as against an earlier firm of "F. Garcia & Bros."

2. UNFAIR COMPETITION—INJUNCTION.

The right to enjoin unfair competition does not depend on the volume of business done by the defendant.

In Equity. On final hearing.

In June, 1886, Jose, Francisco, and Antonio Garcia, brothers, associated as partners under the firm name and style of "F. Garcia & Bros." in the manufacture of cigars, and so continued until about the year 1900 or 1901, when Antonio retired from the firm; but, with the exception of such change, the business so established had been continuously conducted under the name and style of "F. Garcia & Bros." The retirement of the one brother caused no change in the assets, business, good will, or property of the business, and the complainants, Jose and Francisco Garcia, are the possessors and owners of all of the same.

From the beginning, at the date mentioned, the complainants have built up a very large business and good will, increasing from year to year, throughout every state of the United States excepting three. The firm, its business and products, have been extensively advertised and the goods marketed at a cost in excess of \$100,000. As a result thereof they have become well known throughout the country, and particularly in certain sections, the northwest, and in the State of Wisconsin, in which latter state the goods have been sold since 1890, principally in the cities of Milwaukee, Madison and Racine. The business office of the firm during all these years has been located at No. 22 Warren Street in the City of New York. Its cigar manufactories are located in Tampa, Fla., and in Havana, Cuba. Its cigars have been marketed and sold under various names or brands; there being manufactured at Tampa nine, and at Havana two, different brands. Such

cigars are packed in boxes of 25, 50 or 100, as the case may be; the boxes having different marks, labels and edgings for the different brands. At Tampa, Fla., the complainants have manufactured one of their principal brands, which is known and called "F. Garcia & Bros." On the boxes of all the brands excepting one, the name "F. Garcia & Bros." has always appeared prominently and usually in several different places upon the boxes. In addition to using the different names, all of the brands of complainants' cigars have been identified by placing the firm name "F. Garcia & Bros." on what is called the rear panel or "back strip" of each cigar box. This marking is printed on white or light colored paper pasted on the inside of the rear panel, or "back strip." It is in red ink; the type being large so as to readily attract the eye. This marking has been considered and is used by the complainants as one of the principal features of identification of their goods, and to distinguish them from the goods of other manufacturers.

The complainants' firm was the first in the cigar business to use the name "Garcia" coupled with the word "Bros." Customers desiring cigars of complainants' make call for them under the name "Garcia & Bros. cigars," "F. Garcia & Bros. cigars," "Garcia Brothers' cigars," and sometimes "Garcia." These names, when used in connection with cigars, have become synonymous with the products of complainants' manufacture and none others, and they are known and understood in the trade by dealers and customers to refer to cigars manufactured by the complainants. Dealers furnish such cigars and none others in response to demands under such name, and customers use such names to indicate that cigars desired to be purchased are those of the complainants' manufacture.

In or about the year 1905, the defendant, Frank Garcia, began business in the city of Milwaukee with no other person associated with him. Previous to this time he had been a cigar maker in Chicago, New York, Tampa, Jacksonville, London, Canada, and Milwaukee. He had known of the firm of F. Garcia & Bros., the complainants, ever since he came to this country in 1893, and in fact had been employed as a cigar maker by them in their factory at Tampa. At some date not precisely fixed, but

probably in about 1897, the defendant's three brothers, Arthur, Manuel and Raymond Garcia, began the manufacture of cigars in Milwaukee under the name of "A. Garcia Brothers." Such business was continued until about the year 1905, when the defendant bought out the brothers, and thereafter, down to the commencement of the suit, conducted the business alone; but, immediately upon buying out the brothers, the defendant changed the trade-name and style of the business to "F. Garcia & Bros." Although no one has ever been associated with the defendant, he has used the name "Garcia Bros." "F. Garcia & Bros.," as he states, "to make an impression for the business."

It appears that the defendant has put upon the market a brand of cigars under the name of "Garcia Bros."; that he has used as a trade and business name, affixing the same to boxes containing his cigars, such names as "Garcia Bros.," "F. Garcia & Bros.," and "F. Garcia Bros. Co.," which various uses of names are not explained, except as last above stated. It appears that the defendant's factory license stands in and was taken out under his individual name, Frank Garcia. It also appears that he has placed upon the rear panel or "back strip" on the inside of cigar boxes the name "F. Garcia & Bros." in a type of substantially the same size, color, and appearance as that used by the complainants in boxes containing cigars of their manufacture.

The defendant's business aggregates 150,000 cigars annually, which are sold principally in Milwaukee and in some other cities in this district.

The complainants have filed their bill, praying for an injunction restraining the defendant from using the name "F. Garcia & Bros.," "Garcia Bros.," and any like combination of the name "Garcia" with "Bros.," either as a trade or business name or as designating cigars not of complainants' manufacture.

The facts above recited appear from the pleadings, testimony, and exhibits on final hearing.

Steuart & Steuart and Bloodgood, Kemper & Bloodgood,
for complainants.

H. L. Eaton, for defendant.

GEIGER, District Judge (after stating the facts as above).—The complainants do not seek to restrain the defendant from using his own name in the conduct of his business. But the claim is made that the name of "F. Garcia & Bros.," as well as "Garcia Bros." or "F. Garcia Brothers," being not only complainants' trade and business name, and truly descriptive of their co-partnership relation, but having also a secondary signification in being descriptive of the kind and quality of goods manufactured by them, the defendant can not adopt such name or names as a garb of his own business or product, and then compete with complainants.

The legal principles governing the situation presented have been applied so frequently in leading cases within this circuit that extended discussion is unnecessary. Such are the cases of *Pillsbury v. Flour Mills Co.*, 64 Fed., 841, 12 C. C. A., 432; *Meyer v. Medicine Co.*, 58 Fed., 884, 7 C. C. A., 558; *Stuart v. F. G. Stewart Co.*, 91 Fed., 243, 33 C. C. A., 480; *Kathreiner's Malzkaffee Fabriken mit Beschränkter Haftung v. Pastor Kneipp Med. Co.*, 82 Fed., 321, 27 C. C. A., 351; *Peck Bros. & Co. v. Peck Bros. Co.*, 113 Fed., 291, 51 C. C. A., 251, 62 L. R. A., 81; *Chickering v. Chickering & Sons*, 120 Fed., 69, 50 C. C. A., 475; *Charles E. Hires Co. v. Consumer's Co.*, 100 Fed., 809, 41 C. A., 71.

In *Meyer v. Medicine Co.*, the doctrine is thus stated:

"While the right can be denied to no one to employ his name in connection with his business, or in connection with articles of his own production, so as to show the business or product to be his, yet he should not be allowed to designate his article by his own name in such a way as to cause it to be mistaken for the manufacture or goods of another already on the market under the same or a similar name. Whether it be his name or some other possession, every one, by the familiar maxim, must so use his own as not to injure the possession or rights of another."

And in *Singer Mfg. Co. v. June Mfg. Co.*, 163 U. S., 169, 16 Sup. Ct., 1002, 41 L. Ed., 118, which is cited in *Stuart v. Stewart*, *supra*, it is more fully stated as follows:

"This is fully recognized by the well-settled doctrine which holds that every one has the absolute right to use his own name honestly in his own business, even though he may thereby incidentally interfere with and

injure the business of another having the same name. In such case the inconvenience or loss to which those having a common right are subjected is *damnum absque injuria*. But although he may thus use his name, he can not resort to any artifice or do any act calculated to mislead the public as to the identity of the business firm or establishment, or of the article produced by them, and thus produce injury to the other beyond that which results from the similarity of names.' (Citing cases.) Where the name is one which has previously thereto come to indicate the source of manufacture of particular devices, the use of such name by another, unaccompanied with any precaution or indication, in itself amounts to an artifice calculated to produce the deception alluded to in the foregoing adjudications. Indeed, the enforcement of the right of the public to use a generic name, dedicated as the results of a monopoly, has always, where the facts required it, gone hand in hand with the necessary regulation to make it accord with the private property of others, and the requirements of public policy. The courts have always, in every such case, without exception, treated the one as the correlative or resultant of the other."

The defendant being a sole trader, there can be no pretense that any of the names which contain the combination of "Garcia," or "F. Garcia," with the word "Bros." or "Brothers," is truly descriptive of his business, or that it is his true name. The evidence shows beyond controversy the facts claimed by the complainants, that the names "F. Garcia & Bros.," "Garcia Brothers," "F. Garcia Brothers," and the like, had become known throughout the United States as the complainants' trade and business name, and as applied certainly to them and cigars of their manufacture; that, of these names, "F. Garcia & Bros." had been used and applied by the complainants as a brand name; and that it was so known in the trade as designating such particular brand of cigars of the complainants' manufacture. It is also very clear that the predecessors of the defendant and the defendant adopted and used one or more of these names after the complainants had adopted the one name as their firm and business name, and after all of such names had become known as designating, either generally the cigars of complainants' manufacture, or particularly a brand of cigars of their manufacture which was made and marketed under such particular name.

Under the principles of the cases above cited, there can be no doubt as to the necessary conclusion to be reached. The adoption by the defendant of the identical names which the complainants had adopted as their true trade-name, and which had come to designate their product, would alone entitle the com-

plainants to relief. Such name or names had become the means of describing the goods manufactured by the complainants, both by those who dealt in them and those who consumed them; and, to use the language of *Chickering v. Chickering & Sons, supra*, "that name was to the public an assurance of excellence * * * in manufacture." The testimony here shows something more: From the fact that the defendant knew of complainants' name and its secondary use, his adoption of that name, or of the name "Garcia" coupled with "Bros." in respect to his own trade situation, in effect asserted a falsehood. His affixing complainants' name in almost the identical style and color of type on the "back strip" or panel of the cigar boxes, and his evasiveness or failure to explain his course in so using or adopting such names, all point clearly to a deliberate purpose or design to appropriate to himself what is undoubtedly a valuable possession and trade right of the complainants. It is impossible to reconcile the course pursued by the defendant with innocence of purpose, even if, under the law, it were possible for him to defend on that ground.

The contention of the defendant that the name "Garcia Brothers" was used by his predecessors can not avail in defending this suit. There is no showing of a superior right in his predecessors as against the complainants; in fact, the evidence quite clearly shows that the defendant's predecessors were in no better position than is the defendant. If they used such name at all, they began its use long after the complainants had manufactured cigars which had become known under the name of "Garcia Bros." as complainants' cigars. So, too, the defendant's claim that his annual product is so small as not to make him a competitor of the complainants can not be urged as supporting a right to use complainants' valuable trade-names as a means, possibly, to extend his business. If complainants have the right to stop the use of such names, they can exercise it regardless of the extent of defendant's business.

The complainants are entitled to a decree in accordance with the prayer of their bill.

AMERICAN CHICLE CO. v. W. J. WHITE CHICLE CO., *et al.*

(196 Fed. Rep., 977.)

Western District of New York, June 7, 1912.

UNFAIR COMPETITION—TRADE NAME—CONTRACT.

The sale of a business and goodwill, with the trade-marks, labels, etc., but not specifically conveying a personal name used in connection therewith, does not seem to estop the sellers from resuming the use of the name after the expiration of the period during which they agreed not to engage in a similar business, provided the name be not unfairly used.

UNFAIR COMPETITION—IMITATION OF PACKAGE.

The imitation of complainant's wrappers and advertising cards, held to entitle complainant to an injunction.

In Equity. On motion for a preliminary injunction.

In Equity. Suit by the American Chicle Company against the W. J. White Chicle Company and William J. White. On motion for preliminary injunction. Granted in part.

Louis Hicks, for complainant.

Guggenheimer, Untermeyer & Marshall, (*Abraham Benedict*, of counsel), for defendants.

HAZEL, District Judge.—The bill alleges unfair competition in trade, and the conveyance by W. J. White & Son, a partnership, of the business and good will in the business of the manufacture and sale of White's chewing gum to the complainant corporation. A motion is made to restrain the defendants *pendente lite* from using the name "White" or "White's" upon packages, wrappers, boxes, or advertisements of chewing gum manufactured by the defendant company, from using the name "White" as part of defendants' corporate name, and from simulating complainant's wrappers, labels, signs and advertisements. The facts, in so far as material, are as follows:

W. J. White & Son, who for many years prior to June, 1899, were engaged in the business of manufacturing and selling chewing gum of different kinds and flavors, sold their trade-mark and good will in the business to the complainant, at the same time agreeing in writing not to engage in the chewing gum business for a period of 10 years. The defendant William J. White became the president of the complainant corporation and

was such continuously down to 1907. Subsequently, in 1911, about two years after the expiration of the period in which he had agreed not to engage in a similar business, he organized the W. J. White Chicle Company, is now its president and general manager, and conducts the business of manufacturing and selling chewing gum at Niagara Falls, N. Y. It is claimed by complainant that competition arose by reason of the organization of the W. J. White Chicle Company and its use of the name "White" or "White's" in connection with the sale of its product, which the latter advertises and labels in such a way as to destroy the good will of the business which the complainant corporation acquired from W. J. White & Son by means of the conveyance heretofore mentioned. Complainant further claims that its chewing gum has become popularly known by the name of "White's Chewing Gum," or "White's Yucatan Chewing Gum," and that therefore defendant corporation, which subsequently adopted the name of "White" in connection with its product, did so to palm off its gum for that of complainant's; and that, in addition to such wrongful acts, the defendant corporation imitates complainant's labels, signs, cards and general advertising.

I have carefully considered the various questions presented and argued at the bar, and am of opinion that the question as to whether the personal name "White" or "W. J. White" was included as a part of the good will of the transferred business is not entirely free from doubt. The agreement in terms includes "all trade-marks, rights, grants, labels, cuts, signs, inventions and patents * * * and all the visible tangible personal property, including the good will of the said business." But there is no mention of the surname "White" or "White's" in either the agreement of conveyance or in the agreement by W. J. White & Son not to engage in competing business for a period of 10 years.

At the time of the conveyance, complainant's predecessors manufactured three brands of chewing gum, "Yucatan," "Red Robin," and "Piggy Pepsin," and though the name "White" or "White's" was printed upon the wrappers and packages infolding the chewing gum, and upon labels and advertisements, it was only printed in connection with the words "Yucatan," "Red

Robin," etc., in much smaller type, and was less prominently displayed than were those words. In consequence of such method of printing and advertising, the gum seems to have become known to the public by the name of the particular brand, and not by the designation of "White's Chewing Gum." I am confirmed in this opinion by the testimony of the affiant Strong and other dealers who show that the surname "White" in connection with "Yucatan" gum is used by purchasers in comparatively few instances; buyers usually asking for "Yucatan," by which designation alone it attained popularity and is generally known in the trade. Complainant's affidavits show that, upon requesting a package of "White's Chewing Gum" from a dealer, the buyer receives either "White's Yucatan," "White's Whitemint," or White's gum of other flavors. But this confusion arises, I think, from the dealers' acquaintance with the printed matter upon the packages, boxes, and wrappers, and not from that of the ordinary buyer. Moreover, it is conceded that, if it had been the intention to convey the exclusive right to the use of the name "White" or "White's" in connection with the sale of the chewing gum business, such an intention would have been clearly expressed. This argument is, I think, entitled to careful consideration. The question of what was meant by the term "rights" as specified in the agreement, and whether it was intended that the transferrers should never in the future use such name in connection with the chewing gum business should be held in abeyance until there can be an examination and cross-examination of the witnesses with reference to such asserted exclusive right. The different products of the defendant company are put upon the market by the names "White's Whitemint," "White's Meadowmint," etc., and hence the importance of ascertaining the rights under the agreement will readily be appreciated.

As already stated, it is not sufficiently shown by the complainant that the "Yucatan" brand of chewing gum was known to the public by the name of "White's Chewing Gum," as distinguished from the designation "Yucatan," and I am therefore disinclined to enjoin the defendant corporation from using the personal name of "White" or "White's" in connection with its brands of chewing gums.

There must, however, be a modification of the advertisements and cards of the defendant and also of the wrappers in which its "Whitemint" gum is infolded. The objectionable wrapper and band are of pink of only a slightly different shade from that used by the complainant on its "Yucatan" chewing gum, and as there is a strong resemblance between the two even though the complainant uses a yellow band around the pink package, the use by the defendant company of the pink wrapper and band must be enjoined. The square labels and advertising cards by which the defendant advertises its products are also thought imitations of complainant's cards. Both companies use square cards having in the center a circular disk of a bright contrasting color, and these cards are suspended by a cord at one corner which gives them, when hanging, a diamond shaped appearance. Upon the disks of complainant's cards are printed the words "Chew White's Yucatan Gum," while upon the defendants' disks are the words "Use White's Meadowmint to Chew," the words "Yucatan" and "Meadowmint" being in larger type than are the other words, while around about the disk on the margins of the cards of both are printed various catch phrases. The cards are of many colors, those of complainant being of red, white and blue, while those of defendant company are of red, yellow and green, and are manifestly a simulation of complainant's.

Because of the reasons heretofore outlined, I must on this record deny a preliminary injunction restraining the defendant company from using the word "White" or "White's" in connection with the manufacture and sale of its different brands of chewing gum. But I think it should not be permitted to use the pink wrapper and pink band or label binding together the pieces of gum, and should not be permitted to use the square advertising cards which apparently simulate complainant's, for such are calculated to induce buyers of chewing gum to believe that the product of the defendant company is the product of the complainant.

In the affidavit of White, the president of the W. J. White Chicle Company, there is stated a willingness to couple, with the name of "White" or "White's" on the labels, wrappers, and advertising matter, a statement indicating that the company has

no connection with the business of the complainant, the former business of W. J. White & Son, and if complainant desires to incorporate this provision or its equivalent in the restraining order it may do so. The form of the order as to details regarding similarities between packages, advertising cards, and labels upon the boxes and around the packages will be settled on notice.

SAMSON CORDAGE WORKS V. PURITAN CORDAGE MILLS.

(197 Fed. Rep., 205.)

Western District of Kentucky, July 3, 1912.

1. UNFAIR COMPETITION—COLORS IN TEXTILE PRODUCT.

The use of strands of different colors in a braided cord, forming checks or spots upon the surface, can not be exclusively appropriated by any manufacturer. The use of colored strands in the same way by another does not constitute unfair competition.

2. INJUNCTION—DISCRETION.

The grant of a temporary injunction in unfair competition being in some degree a matter of discretion, it should be refused where there is another suit pending on appeal on the same facts for trade-mark infringement, in which the court of first instance dismissed the bill.

In Equity. On motion for temporary injunction.

Coale & Hayes, and *McDermott & Ray*, for complainant.

Helm & Helm, for defendant.

EVANS, District Judge.—The complainant a year or more ago brought an action in this court in which it asserted its ownership of a trade-mark used in connection with certain sorts of cordage manufactured by it and in which one of the threads or strands used was of a different color from the others, and which thereby made, when the threads were intertwined in the process of fabrication, figures which, for want of a better short name, we called "checks," and which showed themselves spirally around the cord, not indeed as a mark indicating origin, but as a necessary and inevitable result of making cord out of different colored strands. A motion for a temporary injunction in that case was denied upon reasons briefly stated in an opinion reported in (C. C.) 193 Fed., 274 [Reporter, Vol. II, p. 161]. On final hearing the action was dismissed upon grounds set forth in

another short opinion reported in (D. C.) 194 Fed., 573 [Reporter, Vol. II, p. 192]. From the decree dismissing that case an appeal has been prosecuted to the Circuit Court of Appeals, and is now pending and undetermined.

In both of the opinions referred to it seemed well, owing to some things which had been said at the hearing, to state that we expressed no opinion as to whether the matters complained of would constitute unfair trade. We endeavored to emphasize the absence of any opinion upon a question not then involved for the reason that that suit was expressly and exclusively based upon the alleged infringement of a trade-mark.

The complainant now sues to restrain the defendant from alleged unfair competition, and the question which we did not consider in the former case is directly involved in this one. Practically the same arguments have been made in this case as were made in the other. Indeed, the principal claim to the relief now sought is based largely upon the same grounds as those presented in the former suit. Nevertheless, we have given the subject in its new phase a very careful reconsideration, and the result, especially as it concerns the motion for a temporary injunction, is the conclusion that the motion must be denied. In (D. C.), 194 Fed., 573 574, [Reporter, Vol. II, pp. 193, 194], we said:

"In manufacturing cordage the complainant combines as many threads or strands as may be desired. One of these is of a color different from all the others which are of a uniform color. The process of fabrication by twisting and intertwining these strands into cord and the regular appearance of spots on its surface as the result of the process were described in the former opinion. It will suffice now to say that in this way striking and probably decorative spots are made to appear on the surface of the cord—a red spot, if a red strand is used, and so on through the list of colors. The complainant insists that it may in this way appropriate all the colors for trade-mark purposes. As has been done time out of mind in making cordage by others, one thread of a different color from the others is used by the complainant. In the process of fabrication the colored thread, as the strands are twisted, makes spots of its own color on the surface of the cord. All this is part of the cord itself and can not be regarded as a 'mark,' arbitrary in character, within the meaning of trade-mark law. It is an inherent and necessary result of the fabrication of a rope out of strands of different colors, and hence can not be a trade-mark. Many cloth fabrics have more or less distinctively colored figures woven into them. There are not regarded as trade-marks but as decorative devices open to all and free from monopoly.

"The line may be a narrow one, but we take it the distinction is this: When an arbitrary mark, not naturally part of the fabric, is in any wise

impressed upon it, it may be a trade-mark, if so intended and used, but no spot made on or color imparted to a fabric as the inevitable or natural result of using the material of which the fabric is made can be the basis of a trade-mark, for the reason that the making of the spots thereon or the impartation of the color thereto by the use of appropriate raw material is open to the public generally, and may not be exclusively appropriated by anybody. Any other doctrine would be intolerable.

"The complainant seeks support in the fact that it uses the trade-mark on sash cord; but we think such a limitation, if insisted upon, is immaterial. It may be, too, that, if a trade-mark is not applicable to the genus, it can not be so as to any species of cordage. However, it is not necessary to rule upon this proposition."

If these views, so far as they concern the rights, respectively, of the public and of the manufacturer to use different colored strands in making cord, be sound, they, to that extent, apply as well to the claim of unfair trade as to that of a trade-mark. If the complainant might make its cordage out of different colored strands, so might the defendant, because what is done by the defendant in this respect is a thing open to the public generally; no one having a right to the exclusive use of any color.

The fallacy of the contention that the "checks" on the cord (or its "dress" as the complainant prefers to call it), made as we have indicated, constitute a "mark" indicating origin, or a distinctive appearance which can be appropriated by any one maker, is that the "check" is not a "mark" at all within the proper meaning of that word in this connection. Certainly it is not one which is arbitrary in character or which indicates origin, inasmuch as such spots or "dress" would naturally appear when any person used different colored strands in making rope, and therefore would not, *per se*, indicate that the cord originated with any particular person. Complainant's so-called "mark" or dressing is an inherent part of the fabric itself and inseparable from it. The checks spirally encircling the cord are not fixed upon the fabric as a "mark" or a dressing. They constitute, as spirally arranged, a characteristic variegation, necessarily and inevitably given by the use of the materials of which the cord is composed. If, as we hold, everybody may use different colored threads as material in making cord, it must logically follow that nobody can exclusively appropriate the result, namely, the spots or dressing of different colors which the strands inevitably make in the fabric. To say that you may use different colored strands, but that it is

wrongful to thereby make spots, would be quite absurd. To somewhat illustrate the question, suppose, for example, that for 20 years one manufacturer had made and sold all the black hosiery in the market, and then that somebody else chose to make and sell black hosiery also. It would be an astonishing legal proposition to hold that the former could exclude the latter from the use of black thread in making hosiery either upon the ground of a trade-mark or upon that of unfair competition in trade, because black, as a color, can not be exclusively appropriated by anybody in manufacturing any kind of fabric, and if the color can not be exclusively appropriated neither, as we have seen, can the "spot" it makes. Such a case is, in principle, precisely analogous to this, unless we may say that the mere use of black threads in making hosiery, *per se*, indicates origin or that black, which pervades the entire article, is a "mark" upon it. The mere presence of any color in a fabric, particularly of standard fabrics like rope, socks, or cloth, of itself gives no hint of origin or of the manufacturer.

We have thus far considered the case upon the contention of the complainant that its long use of different colored strands whereby the checks made on the surface of its cord were spirally extended around it gave to complainant an exclusive right to do that thing, and have seen that the contention is not sustainable because the defendant, in doing the same thing, exercised a right which was open to all, no one being permitted to appropriate the exclusive use of any color. If this conclusion be sound, it is decisive of the motion because it can not be unfair to the complainant for the defendant to do what it has both the legal and the moral right to do. Nevertheless it may be well to consider whether the defendant, by what it did in manufacturing cord out of different colored strands and putting it on the market or otherwise, intended to represent to the public that its goods were those of the complainant, or whether we can clearly infer from the testimony that the defendant has been guilty of such deceitful representations or such perfidious dealing in respect to cordage as entitles complainant to the relief it seeks, remembering while doing so the established rule that nothing less than conduct tending to pass off one man's merchandise as that of another will

constitute unfair competition. *Edward Hulker Mop Co. v. United States Mop Co.*, 191 Fed. 618, 112 C. C. A., 176, and cases there cited.

Speaking generally, those just indicated are the grounds for relief in such cases, and they must be established by proof. Each of the parties makes a cord which has spots upon it as the result of the use of different colored strands, and the testimony shows that each of them puts up its cord, and especially its sash cord, about which this litigation centers, in hanks or coils containing usually about 100 feet. Completely around the center of each of its hanks or coils the complainant wraps a label about four inches wide, the ends of which are sealed together so as to fasten them securely. This label is made of white paper. The printed matter on it is in red or black letters and its borders are red.

In the plainest way this label speaks for itself, and shows exactly the contents of the hank it encircles.

Completely around the center of each of its hanks the defendant wraps one or the other of the two different labels (each a little over four inches in width) which it uses thereon according to its classification of its cord. The ends of these labels are also sealed together so as to fasten them securely around the hanks. One of these labels has a very conspicuously dark blue background for the white or red lettering and trade-mark on its face.

The other of them has an equally conspicuous and striking background of a bright but lighter blue color for a different lettering and a different trade-mark.

We understand this latter label is not used except for the cord made for one large wholesale customer.

Each of the labels speaks in the plainest terms and tells exactly what it encircles. With these precautions taken by the defendant to distinguish its cord from that of the complainant, we have not been able to see how any reasonably prudent person could be deceived as to what he was buying, unless he was grossly careless. Nor can we perceive the equity of compelling the defendant to desist from exercising its right of using strands of different colors in making cordage, because careless persons will not read the plainest possible statement staring them in the

face, showing them as clearly as human language can that the cordage he is buying is not Samson's "spot" cord or Samson's cord of any kind. But it is suggested that the labels may be easily torn off and removed. This is no more true of those of the defendant than it is of those put on by the complainant, for each is : of strong paper and put on the hanks in the same way. There is, however, nothing to show that it is the intention of the defendant that they shall be removed until that is done by the ultimate purchaser, nor are we at liberty to found a decree upon the imagination that it is defendant's desire or purpose that that shall be done. As there is no sufficient testimony to the contrary, we must assume that the defendant's purpose is a fair one, and this is emphasized by the fact that, having the right to use every color and to make its cord just as it is made, the defendant is under no obligation to the complainant to put on labels of any sort. Its doing so at all indicates a spirit of fairness rather than unfairness.

It was indeed shown at the hearing that certain dealers had deceived some of their customers who, probably, were the ultimate purchasers, by palming off upon them as complainant's cord some cord made by the defendant; but that, we think, must be a matter between the dealer and his customer in an action for deceit. The possibility that falsehoods may, in special instances, be told by dealers, does not diminish the force of what we have said.

Without pursuing the matter further, we conclude that there are two grounds upon either of which we should overrule the pending motion. The first and principal one is that the complainant, for the reasons we have stated, does not seem to be entitled to it on the merits. The second one is that, if we have any discretion in the matter of granting temporary injunctions, it should, in this case, be exercised against the notion, because the complainant has in the former case elected to sue to establish the validity of its trade-mark and from the decree in that case has taken an appeal to the Circuit Court of Appeals, which is still pending. Should the judgment in that case be reversed, complainant's trade-mark would be established, and this suit seek-

ing relief upon the ground of unfair trade would be wholly unnecessary.

We think, for the purposes of this motion, that the complainant should have stood by its election originally made until the first suit was finally disposed of.

COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

C. A. GAMBRILL MANUFACTURING COMPANY v. WAGGONER
GATES MILLING COMPANY.

(181 O. G., 821.)

April 1, 1912.

OPPOSITION—"TEN-YEAR CLAUSE"—EVIDENCE.

The evidence introduced in an opposition to the registration under the ten-year clause of the Trade-Mark Act of the word "Howard" for flour held sufficient to establish that the applicant had not had exclusive use of such mark during the ten-year period.

Mr. Arthur Stewart and Mr. J. E. Cross, for the appellant.

Mr. J. S. Lemmon and Mr. C. B. Clotworthy (Mr. J. W. Bryan of counsel), for appellee.

ROBB, J.—By this appeal the C. A. Gambrill Manufacturing Company seeks a reversal of the decision of the Commissioner of Patents dismissing its opposition to the registration, under the ten-year clause of the act of February 20, 1905, of the word "Howard" as a trade-mark for flour.

Three witnesses were called by the opposer, appellant here. The first witness, a Mr. Hayward, secretary and treasurer of the opposing company, had been connected with that company since 1881. He was asked whether it had used the word "Howard" as a trade-mark for flour and replied that it had, to his knowledge, since 1881. He was then asked how he obtained this knowledge, and replied:

By general knowledge of the conduct of the business based on observation of daily sales; also personal observation of the said "Howard" brand as applied to packages of flour such as barrels, ninety-eight, forty-nine, twenty-four and twelve-pound sacks. In the case of the barrels, the brand is applied by branding with a stencil on the head of the barrel. In the case of sacks, the brand is applied by the bag-makers whose custom it is to print brands on sacks as ordered.

Witness further testifies that flour bearing this brand has been sold in Maryland, Virginia, North Carolina, South Carolina, Porto Rico and the West India Islands. He identified stencils by which the brand was applied and which were introduced in evidence. One of these stencils had been used, he said, since prior to 1881, as the name had been changed from C. A. Gambrill & Co., the old partnership, to the name of the new corporation, which was organized in 1881.

A Mr. Lucy, a man sixty-eight years of age, testified that he was first employed by the old firm in 1866, and had since been continuously in the employ of that firm and its successor, the opposer. For many years he had been a salesman, looking after city trade and some out-of-town trade through Virginia and Maryland. This witness also testified to the continuous use of the word "Howard" as a trade-mark during his entire term of service. He identified stencils and said he had frequently seen the mark upon flour, both before it had been shipped and subsequently in the stores of customers. He was finally asked what use had been made by the original company and its successor, the opposer, of the "Howard" brand and replied:

The "Howard" brand has been used continuously by C. A. Gambrill & Co. and C. A. Gambrill Mfg. Co. from year to year upon flour of its manufacture since 1866, when I first went into the employ of that company, and to the best of my knowledge and belief, it was used prior to the time of my entering the employ of the firm since 1857.

A Mr. Edwards, sixty-one years of age and who had been employed by the original partnership firm and its successor since 1867, testified that—

the "Howard" brand was in use when I became connected with the concern and has been in use ever since. The said brand is put on flour as sales for "Howard" may occur. This brand has been used continuously by C. A. Gambrill & Co. and C. A. Gambrill Mfg. Co. every year since 1867 to a substantial extent upon flour manufactured by the firm and the corporation. The brand was applied on the head of barrels and half barrels by stencil; on sacks, it was printed.

The applicant was not represented at the taking of this testimony, consequently no objections were interposed to the form of the questions asked. There has been no attempt made to meet this testimony and, therefore, it stands uncontradicted.

To prevail, the applicant must show exclusive use during

the ten-year period. (*Worcester Brewing Corporation v. Reuter & Co.*, 30 App. D. C., 428; *McIlhenny v. New Iberia Extract of Tabasco Pepper Co.*, 34 App. D. C., 430; *Duluth-Superior Milling Co., v. Koper*, 37 App. D. C., 115.) The applicant here contends, and the patent office tribunals have sustained the contention, that the above evidence is too indefinite to sustain a finding of use of the trade-mark by the opposer during the ten-year period. This contention we are unable to accept. The witnesses whose testimony we have reviewed were men of intelligence and presumably of character. They were testifying concerning a matter of which they must have had knowledge and we are not at liberty to disregard their testimony. By that testimony a *prima facie* showing of user during the ten-year period was made for the opposer. As this was not overcome by the applicant the opposition should have been sustained.

The decision will therefore be reversed.

LEVERING COFFEE COMPANY V. MERCHANTS COFFEE COMPANY.

(181 O. G., 1075.)

May 30, 1912.

1. TRADE-MARK—ABANDONMENT.

The right in a trade-mark is a property right, and intent to abandon must clearly appear from the facts surrounding non-use; but intent may be inferred when facts are shown adequate to support such a finding. Acts which, unexplained, would warrant an inference of abandonment may be met by a showing of a contrary intent.

2. ABANDONMENT—EVIDENCE.

Where a firm which put out several brands of coffee, including "Hygeia," gradually stopped using the latter and adopted soon after a similar mark, "Hioja," and the factory-books showed not only no sales of "Hygeia," but that the columns headed "Hygeia," were devoted to other brands, held that, in the absence of any testimony by the members of the firm who were familiar with the business, an intent to abandon the mark was established.

3. ABANDONMENT—PRIORITY OF NEW USERS.

Evidence held to show that the mark in issue was abandoned by the predecessor in business of the L. Co. and priority awarded to the M. Co., which began the use of the mark subsequent to this abandonment, but prior to the use of the L. Co.

Mr. J. E. Cross and *Mr. J. L. Stuart*, for the appellant.

Mr. Robert Watson and *Mr. John Watson, Jr.*, for the appellee.

ROBB, J.—This appeal is from a decision of the Commissioner of Patents (179 O. G., 1109) in an interference proceeding refusing registration to the appellant of the word "Hygeia" as a trade-mark for coffee, (registration already having been granted to appellee,) the ground of the decision being abandonment of the mark by the appellant prior to its adoption by the appellee.

The record contains much irrelevant matter, as the issue is simple and sharply drawn. The appellee, Merchants Coffee Company, of Baltimore, Md., first adopted the word "Hygeia" as a trade-mark for coffee in about 1898 and soon built up a prosperous business under that mark. In 1881 the Levering Coffee Co., a copartnership, also of Baltimore, Md., was the user of several marks. It shipped to dealers coffee containing the brand "Hygeia." The name of the concern, however, was purposely omitted from the packages that were to be sold to the retail trade, but it did appear upon the boxes in which these packages were packed. The reason for thus suppressing the name of the firm was that the firm did not wish the retail trade to know the real origin of this brand of coffee. The firm put out a standard brand, "E. L. C.," in connection with which its name did appear. The sale of the "Hygeia" brand, under the conditions mentioned, was continued until 1897. For two or three years prior to that time, however, the books of the company show that the sales of this brand were infrequent and inconsequential. From 1897 until 1902, a period of five years, no sales of the "Hygeia" brand were made; in other words, during that period there was a complete non-user of the mark. In the factory-book of the company covering that period the columns headed "Hygeia" were devoted to the sale of other brands. Beginning in 1898 a new brand, "Hioja," was put out and the use of this brand thereafter continued. On November 30, 1900, Eugene Levering, Jr., succeeded to the coffee-roasting business of the old firm and subsequently Mr. William J. Ewing was taken in as a partner, the business being conducted under the firm-name of the Levering Coffee Co. Mr. Levering, in his testimony, was indefinite as to when he became a member of the old firm, stating that it was between 1895 and 1897. Before the books of the old firm were produced he testified to a continuous use by that firm of the mark "Hygeia" down

to the time when he succeeded to the business, and further testified that there was never any intent, so far as he was concerned, to abandon the mark. The books of the old firm disproved his testimony. Had he desired his testimony in reference to the question of abandonment to be given any weight, he should have shown definitely whether he was a member of the firm prior to the time when it discontinued the use of the mark. This he has not done. The members of the old firm were relatives of his, several of them were alive, and, for aught that appears, subject to be called as witnesses by his firm, the appellant. They were not called. One member of that firm was called by the appellee to testify concerning the character of the use of the mark down to the time when it was discontinued, but he did not testify concerning the question of abandonment. Mr. Ewing was recalled by the appellant after his main testimony and undertook to explain the failure of the old company to continue the use of the mark on the theory that a coffee war was then under way. We agree with the Commissioner that his testimony was an afterthought, improbable, and entitled to no weight. It is strange, indeed, that the alleged war should have affected this brand of coffee alone, and it is still more strange that the men who would have known all about it, the members of the old firm, were not called by the appellant.

It is true that the right in a trade-mark is a property right and that intent to abandon must clearly appear from the facts and circumstances surrounding non-user. "As in other cases, intent may be inferred when the facts are shown, yet the facts must be adequate to support the finding." (*Baglin v. Cuscnier Co.*, 221 U. S., 580, 598.) And acts which, unexplained, would warrant the inference of abandonment, may be met by a showing of a lack of intention to abandon. (*Saxlehner v. Eisner & Mendelson Co.*, 179 U. S., 19. See also *Mathy v. Republic Metalware Co.*, 35 App. D. C., 151.)

Having in mind the character of the use of the mark by the appellant's predecessors which, for the purposes of this opinion, may be conceded to have been a trade-mark use, the gradual falling off of sales under that brand, the final complete cessation of those sales under the circumstances mentioned, the adoption

soon after of the similar mark "Hioja," the period of time which elapsed before the old mark was again used, the fact that the new use was not begun until several years after a rival concern, in the same city, had established a good business under that mark, the failure to call available members of the old firm to explain away the inference naturally resulting from the acts and circumstances detailed, all lead to the conclusion that when, in 1897, appellant's predecessors discontinued the use of this mark they did so with the intent to abandon it. While there is no testimony showing knowledge on the part of the appellant of the early use by appellee of this mark it is inconceivable that two rival concerns, located in the same city and engaged in the same line of business should remain ignorant concerning a matter vital to both. It is not unlikely, in our view, that the revival of the use of this mark by appellant was the result of its successful use by appellee, rather than the result of the intent of the predecessors of appellant not to abandon it.

The decision of the Commissioner is affirmed.

IN RE INDEPENDENT BREWERIES COMPANY.

(182 O. G., 251.)

May 30, 1912.

1. **CONFLICTING TRADE-MARKS—GOODS OF SAME DESCRIPTIVE PROPERTIES.**

A beverage composed of malt and containing less than one-half of one per cent of alcohol is of the same descriptive properties with beer.

2. **CONFLICTING MARKS—"AMBER BEAD" AND "AMBER."**

The mark "Amber Bead" is properly refused registration, in view of the prior registration of "Amber" as a trade-mark for goods of the same descriptive properties.

Mr. J. A. Carr and *Mr. A. M. Holcombe*, for the appellant.

Mr. W. S. Ruskman, for the Commissioner of Patents.

ROBB, J.—By this appeal the Independent Breweries Company seeks a reversal of the decision of the Commissioner of Patents refusing registration of the words "Amber Bead" as a trade-mark for—

a beverage composed in part from malt and containing less than one-half of one per cent alcohol.

The ground of the Commissioner's action was the prior registration, by the George Weidman Brewing Company, of the word "Amber" as a trade-mark for beer. That the two marks are deceptively similar is plain. (*In re Herbst Brewing Co.*, 30 App. D. C., 297; *Schoenhofe Brewing Co. v. Maltine Co.*, 30 App. D. C., 346.)

But, it is insisted, the marks are not applied to goods of the same descriptive properties. This contention must fail. The general and essential characteristics of the goods to which the two marks are applied are the same, and this is sufficient. (*Walter Baker & Co. v. Harrison*, 32 App. D. C., 272; *Phoenix Paint & Varnish Co. v. Lewis*, 32 App. D. C., 285.) In the first of those cases it was ruled that coffee and cocoa are goods of the same descriptive properties within the meaning of the trade-mark statute, and in the second that paste paints and ready-mixed paints are of the same descriptive properties. In the present case the only real difference between the goods of the two parties is that there is less alcohol in one than in the other.

For the reasons set forth in the two cases to which we have referred, the decision of the Commissioner is affirmed.

COMMISSIONER OF PATENTS

EX PARTE, REVERE RUBBER COMPANY.

(182 O. G., 509.)

July 31, 1912.

TRADE-MARKS—"RED MAN" THE EQUIVALENT OF "INDIAN."

The words "Red Man" have come to be understood as the equivalent of "Indian" and the registration of these words *held* properly refused in view of certain prior registrations in each of which the picture of an Indian is a predominating feature.

Messrs. Fraser, Turk & Myers, for the applicant.

MOORE, Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to register the words "Red Man" as a trade-mark applied to—

belting, hose and machinery packing composed of metal, rubber, rubber compositions or textile fabrics, or combinations thereof, pneumatic tires and solid rubber tires.

Registration was refused in view of the following registered marks: Goodyear Rubber Company, September 6, 1898, No. 31,929; Henion & Hubbell, December 24, 1901, No. 37,521; American Steam Packing Company, January 23, 1906, No. 49,141; Bay State Belting Co., May 12, 1908, No. 69,021.

Each of the registered marks includes the representation of an Indian or an Indian's head, and the mark of the Bay State Belting Co. likewise includes the word "Indian" in the expression "Indian Tanned." The Examiner has held that the words "Red Man" are the full equivalent of the picture of an Indian or the word "Indian," and he has also called attention to the fact that the labels filed by applicant include the representation of an Indian's head with full feather head-dress.

Appellant contends that "Red Man" is not the equivalent of "Indian" or the representation of an Indian and that the Office is not justified in referring to features on the label not claimed as parts of the trade-mark in deciding the question of similarity.

In my opinion the words "Red Man" have come to be understood in our language as the equivalent of "Indian," and the significance of applicant's mark is clearly the same as that of the registered marks, in each of which the picture of an Indian is the predominating feature. The propriety of considering features on the label not claimed as parts of the mark in deciding the question of similarity was considered in the recent case of *ex parte*, *J. C. Blair Company*, in which a decision was rendered July 5, 1912, 182 O. G., 247 [*post*, p. 438]. In that case the word "Tika" was held deceptively similar to "Swastika" in view of the fact that the label on which "Tika" was used also bore the representation of a swastika. It was there said:

There might be some doubt as to whether the contraction "Tika" would carry the same significance as the word "Swastika" in the absence of the evidence furnished by applicant's specimens. The application states that the mark has been used since February, 1908, and the specimens indicate, both by the illustration and the legend, that it has used it in such a way as to bear home to the mind of the purchaser in every instance that the word "Tika" is a contraction of the word "Swastika" and is intended to have the same significance. Under these circumstances it must be held that the two marks bear such a resemblance as would be likely to cause confusion as to the origin of the goods if both were used simultaneously upon similar goods.

The applicability of this ruling to the present case is obvious. In this instance if there were any doubt as to the significance of the words "Red Man," it is clear that the representation of the Indian's head immediately below the words on the label would bear home to the mind of the purchaser in every instance that the words were the equivalent of "Indian." It must be held that the applicant's mark was properly refused registration in view of the registered marks cited.

The decision of the Examiner of Trade-Marks is affirmed.

CHILTON PRINTING CO. v. THE CLASS JOURNAL CO.

(182 O. G., 509.)

September 26, 1912.

1. TRADE-MARKS—"AUTOMOBILE TRADE DIRECTORY"—NOT DESCRIPTIVE.

The words "The Automobile Trade Directory" as applied to applicant's publication must be held to constitute a valid trade-mark, these words not being so wholly description of applicant's publication as to fall within the prohibition of the statute.

2. SAME—SIMILARITY.

The title "The Automobile Trade Directory" as applied to a publication held not so similar to the title "The Cycle and Automobile Trade Journal" as applied to a publication of the same class as to be likely to cause confusion in the mind of the public.

3. SAME—OPPOSITION.

Where an opposer used neither the mark sought to be registered by the applicant nor one so similar thereto as to be liable to cause confusion in the mind of the public, he has no standing in the opposition proceedings (citing *Underwood Typewriter Co. v. A. B. Dick Co.*, 163 O. G., 730; 36 App. D. C., 175.

Mr. W. S. Jackson, for Chilton Printing Co.

Mr. H. H. Byrne and *Messrs. Knight Bros.*, for The Class Journal Co.

C. C. BILLINGS, First Assistant Commissioner.—This is an appeal by The Class Journal Co. from a decision of the Examiner of Interferences sustaining an opposition filed by the Chilton Printing Co. and holding that The Class Journal Co. is not entitled to register the mark shown in its application.

The mark sought to be registered consists of the words "The Automobile Trade Directory" as a trade-mark for a publication. The opposition is based on the ground that the opposer publishes

a similar publication to that of the applicant; that confusion in the trade and injury to the opposer had resulted from applicant's use of its mark, and that such confusion and injury would be increased by the registration of said mark. The notice of opposition also alleges that the mark sought to be registered is descriptive, and a ruling on that point is asked.

The record shows that the opposer and its predecessors have published for some years a magazine under the title "Cycle and Automobile Trade Journal;" that the issue of March, 1901, contained in addition to news matter, a list of manufacturers of bicycles and of automobiles and their parts and accessories, and that a similar list has been published in each January issue of the "Cycle and Automobile Trade Journal." These special issues in addition to the regular title bore the designation "Buyers Guide Special."

Applicant's publication is issued quarterly and is alleged to be a classified list of all American manufacturers of automobiles and similar vehicles and of all makers of accessories thereto, machinery, and special equipment. It is not a news publication and is intended solely as a book of reference.

The Examiner of Interferences held that the record showed that the opposer had never used the words "The Automobile Trade Directory" as a name for its publication or the special issues thereof prior to the filing of this opposition; that the titles "The Automobile Directory" and "The Cycle and Automobile Trade Journal" were not so alike as to be liable to cause confusion in the mind of the public, and that no evidence had been introduced which satisfactorily showed that such confusion had resulted. He held, however, that the opposer had a right to file the opposition, since the mark sought to be registered is descriptive of its publication as well as of that of the applicant, and that, being descriptive, its registration is forbidden by section 5 of the Trade-Mark Act. He accordingly sustained the opposition.

In my opinion the words "The Automobile Trade Directory" as applied to applicant's publication must be held to constitute a valid trade-mark, these words not being so wholly descriptive of applicant's publication as to fall within the prohibition of the statute.

In the case of *Social Register Ass'n v. Howard* (60 Fed. Rep., 270) the words "Social Register" as applied to a list of names and residences of persons living in New York city and the immediate vicinity thereof were held to constitute a valid trade-mark. In this case the court said:

These words "Social Register" are clearly selected arbitrarily to designate the publication of the complainant, and can not be properly called descriptive, in any sense. Hence, the words, when chosen, associated together, and applied to a list of persons selected at will by the compiler, as in the case at bar, become a trade-mark, and are entitled to protection as such.

This holding was referred to with approval in the case of the *Social Register Ass'n v. Murphy*, (128 Fed. Rep., 116-120.)

In my opinion the name of applicant's publication and that of the publication of the opposer are not so similar as to be liable to cause confusion. As pointed out by the Examiner of Interferences, there is no satisfactory evidence that confusion resulted by reason of the use of these titles. While the law is of course the same relating to trade-marks for publications as it is with respect to trade-marks for other merchandise, yet it is to be noted that the purchasing public of newspapers and publications is a more discriminating public than the general purchasing public of other kinds of merchandise and that for this reason the difference between two marks when applied to publications and newspapers need not be so distinct as when applied to ordinary merchandise.

Since the opposer used neither the mark sought to be registered by applicant nor one so similar thereto as to be liable to cause confusion in the mind of the public, it clearly has no standing in this opposition under the ruling of the Court of Appeals of the District of Columbia in the case of *Underwood Typewriter Company v. A. B. Dick Company*, (163 O. G., 730.) In that case opposition was filed to the registration of a mark on the ground that that mark was the name of a patented article and, the patent having expired, the mark was public property; but the opposer did not allege that he had ever applied the mark to goods of a similar character. The court, after referring to the decision in the case of *McIlhenny's Son v. New Iberia Extract of Tabasco Pepper Co., Ltd.*, (133 O. G., 995; 30 App. D. C., 337.) and *Battle*

Creek Sanitarium Co. v. Fuller, (134 O. G., 1299; 30 App. D. C., 411,) said:

Tested by the rule declared in those cases, the opposition is fatally defective. The opponent does not claim to have manufactured and put on the market a similar article to that on which the trade-mark has been used. The sole ground of opposition, therefore, is that the trade-mark of the proponent has become public property by reason of the expiration of the patent upon the machine. If the opponent has the right to oppose the registration, any other person could be recognized to make the same opposition in the public interest which, so far as the pleading is concerned, is all that is involved.

The rule is obviously the same whether the opposer has not manufactured goods like those of the applicant or whether it has not used a mark similar to that of the applicant.

But even if the mark were descriptive, as held by the Examiner of Interferences, this opposition would under the rulings in the cases cited have no standing, since, as above pointed out, opposer had not, prior to filing the opposition, used either the mark sought to be registered or one so similar thereto as to be likely to cause confusion in the mind of the public and deceive purchasers.

It is held, therefore that applicant is entitled to register the mark shown in its application, and the decision of the Examiner of Interferences is reversed.

FISCHER & CO. V. JOHN BLAUL'S SONS COMPANY V. THE
COLUMBIA RICE PACKING CO., LTD.

(183 O. G., 219.)

July 26, 1912.

TRADE-MARKS—SIMILARITY—"KITCHEN QUEEN," "QUEEN," "QUEEN QUALITY."

Where a prior registration showed in the drawing the words "Queen Quality" and in the specification the latter word was disclaimed, *held* that registration of a mark consisting of the words "Kitchen Queen" as applied to the same class of goods was properly refused, since a mark consisting of the word "Queen" or of the words "Queen Quality" is so similar to a mark consisting of the words "Kitchen Queen" that their simultaneous use would be likely to cause confusion in the mind of the public.

Messrs. C. A. Snow & Co., for B. Fischer & Co.

Mr. Cyrus Kehr, for John Blaul's Sons Company.

The Columbia Rice Packing Co., Ltd., pro se.

BILLINGS, First Assistant Commissioner.—This is an appeal by John Blaul's Sons Co. from the decision of the Examiner of Trade-Marks denying its motion to dissolve the above-entitled interference.

The motion to dissolve is based on the ground that its mark and the mark of B. Fischer & Co. are not so similar as to be likely to cause confusion in the trade by reason of their simultaneous use upon goods of the same descriptive properties.

The mark of John Blaul's Sons Company consists of the words "Kitchen Queen." The mark of B. Fischer & Co. as set forth in its application as filed consists of the words "Queen Quality." The Examiner thereafter, under the authority of the decision in *Johnson v. Brandau*, (139 O. G., 732; 32 App. D. C., 348,) required that the word "Quality," since it is descriptive, should either be disclaimed or removed from the drawing. The statement of the application was then amended by inserting after the word "drawing" the words "no claim being made to the word 'Quality.'"

It is contended on behalf of John Blaul's Sons Company that the applicant had no right to thus change its mark, since the significance of the words "Queen" and "Queen Quality" is entirely different, that the mark of B. Fischer & Co. must be considered to be "Queen Quality," and that this mark is not so similar to the mark consisting of the words "Kitchen Queen" as to be likely to cause confusion.

It is not necessary to decide whether under the circumstances of the case B. Fischer & Co. should be allowed to disclaim the word "Quality," since, in my opinion, whether the mark of B. Fischer & Co. be considered as consisting of the word "Queen" alone or the words "Queen Quality" it is so similar to the mark "Kitchen Queen" that their simultaneous use would be likely to cause confusion.

The decision of the Examiner of Trade-Marks is affirmed.

REED & CARNRICK v. WATERBURY CHEMICAL COMPANY.

(183 O. G., 219.)

August 1, 1912.

1. OPPOSITION—TESTIMONY—MOTION TO SUPPRESS.

It is well settled that no appeal lies from the decision of the Examiner of Interferences denying a motion to suppress testimony or postponing a consideration of such a motion to final hearing.

2. SAME—SAME—SAME—REFUSAL TO ANSWER QUESTIONS.

Where a witness refuses to answer questions and no application is made to the district court for an order compelling him to answer them, a decision on the question of suppressing the testimony will be postponed to final hearing.

Messrs. Kiddle & Wendell, for Reed & Carnrick.

Mr. Wallace R. Lane, for Waterbury Chemical Company.

BILLINGS, First Assistant Commissioner.—This is an appeal by Reed & Carnrick from a decision of the Examiner of Interferences denying a motion to require the Waterbury Chemical Company to recall one of its witnesses and direct that he answer certain cross-questions or, in the alternative, that his entire deposition be stricken from the record.

The Examiner of Interferences held that the witness was justified in refusing to answer certain cross-questions. He also held that other cross-questions should have been answered, but that as the motion asked that the witness be compelled to answer all the questions or his deposition be stricken out the motion was denied, without prejudice to its renewal at final hearing. It is well settled that no appeal lies from the decision of the Examiner of Interferences denying a motion to suppress testimony or postponing the consideration of such a motion to final hearing.

In the case of *Greene, Tweed & Co. v. Manufacturers' Belt Hook Co.* (132 O. G., 680) it was said:

In his decision on the present motion the Examiner of Interferences set no limit of appeal. In the case of *Deutsch Brothers v. Loonen* (C. D., 1907, 413; 131 O. G., 2146) it was stated:

"It is believed that it will be in the interest of good practice and will work no hardship to the parties if hereafter no appeal be allowed from a decision of the Examiner of Interferences denying a motion to suppress testimony or a motion to require the other party to print exhibits prior to the appeal from his decision on priority rendered after

final hearing. The question of the correctness of his decision on the motion can of course be raised on such appeal."

Although this appeal was taken prior to the date of said decision, the reasons which prompted the practice set forth therein are applicable to the present case and afford an additional ground why the decision of the Examiner of Interferences should not be disturbed.

It is to be noted furthermore in the present case that no application was made to the Federal court of the district wherein the testimony was taken for an order compelling the witness to answer the questions. In the case of the *Independent Baking Powder Company v. Fidelity Manufacturing Company* (94 O. G., 222) the Commissioner, after referring to the fact that no such application was made in that case, said:

Where a party fails to take such action, it is the settled practice of the Office to postpone a decision on the matter until final hearing on priority, when the whole record is reviewed.

The practice in opposition proceedings follows that of the Federal equity practice. In the case of *H. Scherer & Co. et al. v. Everest*, 168 Fed. Rep., 822) the Court of Appeals for the Eighth Circuit, which is the circuit in which the present deposition was taken, said:

The rulings of the referee and of the court upon the various motions to suppress the depositions of these witnesses have been considered, so far as they were material, on the theory, adopted by court and counsel below, that the suppression of depositions was the proper remedy for the refusal of witnesses to produce relevant evidence. But this is an error. The remedy in the national courts in equity and in bankruptcy for the failure or refusal of a witness to answer competent questions or to produce material evidence is not the suppression of the deposition or of the evidence which he does produce, and that for the reason that all evidence which is not glaringly irrelevant, whether deemed material and competent by the referee and the court below or not, must be made a part of the record, and in case of an appeal returned to the appellate court to the end that a final adjudication may be rendered in that court without another hearing below. The true remedy for the refusal of a witness to answer proper questions or to produce relevant evidence is an enforced order of the proper court that he shall do so.

The appeal is dismissed.

EX PARTE, GOLDBERG, BOWEN & Co.

(182 O. G., 974.)

August 1, 1912.

TRADE-MARKS—"GOLDEN STATE"—GEOGRAPHICAL.

The words "Golden State" held not registrable as a technical trade-mark, since they constitute a name applied to California and are therefore geographical.

Messrs. Mason, Fenwick & Lawrence, for the applicant.

BILLINGS, First Assistant Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to register the words "Golden State" as a trade-mark for certain named foods.

The ground of rejection is that the words "Golden State" designate the State of California, in which the applicant is located, and the mark is therefore a geographical name or term whose registration is prohibited by the Trade-Mark Act.

The words "Golden State" constitute a name which is applied to California, (*Century Cyclopedia of Names*, p. 446; *Nelson's Encyclopedia*, vol. 2, p. 448,) and registration was therefore properly refused. (*Columbia Mill Co. v. Alcorn et al.*, 150 U. S., 460; 65 O. G., 1916.)

As noted by the Examiner, a similar ruling was made in the case of *ex parte*, *Bay State Optical Company*, (57 MS. Dec., 315,) in which registration of the words "Bay State" was refused on the ground that these words indicated the State of Massachusetts.

The decision of the Examiner of Trade-Marks is affirmed.

CONSUMERS COMPANY v. HYDROX CHEMICAL CO.

(182 O. G., 721.)

August 27, 1912.

TRADE-MARKS—DISTILLED WATER AND PEROXID OF HYDROGEN—NOT GOODS OF THE SAME DESCRIPTIVE PROPERTIES.

Where a notice of opposition was filed to the registration of a mark as a trade-mark for peroxid of hydrogen, alleging use of the mark first upon artificial ice and subsequently upon distilled water, ginger-ale, metal coolers, and peroxid of hydrogen, but the mark was not used upon peroxid of hydrogen until after its use by applicant, held that

the opposition was properly dismissed, since peroxid of hydrogen does not constitute goods of the same descriptive properties as distilled water nor merchandise of such character as to come within the natural expansion of the previous business of the opposer.

Messrs. Offield, Towle, Graves & Offield, for Consumers Company. (*Mr. James R. Offield and Messrs. Bacon & Milans* of counsel.)

Mr. Ernest Hopkinson, for Hydrox Chemical Co. (*Mr. Edward W. Hall* of counsel.)

TENNANT, Assistant Commissioner.—This is an appeal from the decision of the Examiner of Interferences sustaining a demurrer filed by the Hydrox Chemical Co. against the opposition of the Consumers Company and dismissing the notice of opposition.

Several grounds of demurrer are set forth against the notice of opposition, the principal one being that the merchandise of the respective parties upon which the trade-mark in controversy is used are not of the same descriptive properties, and this ground was alone considered by the Examiner of Interferences sufficient to warrant the dismissal of the notice of opposition.

The mark which is sought to be registered is the word "Hydrox" as a trade-mark for peroxid of hydrogen. It is alleged in the application for registration filed by the Hydrox Chemical Co. that this mark has been in use for peroxid of hydrogen since July 19, 1905. In the notice of opposition it is alleged that the word "Hydrox" has been used in the business of the opposer's company and its predecessors upon various products from the year 1892 to the present time. It is alleged that a predecessor company, the Consumers Ice Co., was organized in 1888 for the manufacture and sale of artificial ice; that in January of 1912 distilled water was put on the market under the name of "Hydrox," and subsequently in 1898 by an extension of business the trade-mark "Hydrox" was applied to various beverages, such as ginger ale, root beer, sarsaparilla, and others; that in 1906 metal coolers for "Hydrox" water and artificial ice were manufactured and placed on the market by this company; that in 1908 the word "Hydrox" was applied to peroxid of hydrogen and in 1910 the same trade-mark was applied to ice cream. It is alleged:

That peroxid of hydrogen would naturally come within the line of articles manufactured by the said Consumers Company and its predecessors is evidenced by the fact that the basis of such product is substantially ninety-six per cent (96 per cent) of distilled water.

It is urged in the brief that—

the products heretofore marked by the opposer are based almost entirely on distilled water and therefore any product which has as a basis distilled water and where the purity of that product depends largely upon the purity of the water, this company should have the exclusive right to use the word because the purity of its water has become universally known. It seems obvious that the Consumers Company would be injured by the registration of its trade-mark by the applicant, the Hydrox Chemical Company, because your honor appreciates the fact that many forms of beverages and distilled waters, as well as peroxid, are sold in drug stores and similar places for dispensing goods of this character and the Consumers Company's products being so well known under the trade-mark Hydrox, it would seem equally apparent that the public would be misled by any other company using the same trade-mark on any goods the basis of which is distilled water.

The gist of the controversy therefore, and on this proposition we feel that in justice and equity we should be permitted to take testimony, is that the trade-mark Hydrox was duly registered Jan. 18, 1898 by the Consumers Company, No. 31,147, as a trade-mark for distilled water. By reason of this registration of the coined word Hydrox, a technical trade-mark, which the Consumers Company originated in the month of Jan., 1892, the Consumers Company not only has the right to the exclusive use of the trade-mark Hydrox as applied to distilled water, *but to all other allied products as well.* That before the Hydrox Chemical Company had placed peroxid of hydrogen upon the market the Consumers Company had used the trade-mark Hydrox as applied to a large variety of products in which carbonated or distilled water formed the greater part, and since the Consumers Company had acquired a reputation as the manufacturer of certain high grade products it therefore had the right to include other products of similar nature, and by "similar nature" is meant such products as are wholly or in part composed of the material to which the trade-mark Hydrox was originally applied in 1892. In keeping with the theory that a manufacturer has the right to include all goods under his established trade-mark comprised in a normal and legitimate expansion of his business, and in this instance that normal and legitimate expansion would certainly include a product consisting of 96 per cent of distilled water, the very product on which the mark was first applied.

In support of this argument it is further urged that distilled water, carbonated water, and peroxid of hydrogen are sold through the same channels, especially drug stores.

In support of this contention reference is made to the following decisions: *Florence Mfg. Co. v. J. C. Dowd & Co.*, (178 Fed. Rep., 73;) *Collins v. Oliver Ames & Sons*, (18 Fed. Rep., 561;) *Layton Pure Food Co. v. Church & Dwight Co.*, (182 Fed. Rep., 35;) *Phoenix Paint & Varnish Co. v. John T. Lewis*, (139

O. G., 990; 32 App. D. C., 285;) *Walter Baker & Co. Ltd. v. Harrison*, (138 O. G., 770; 32 App. D. C., 272.)

There is no dispute in respect to the dates upon which the respective parties began the use of the mark upon peroxid of hydrogen. It is alleged in the application of the Hydrox Chemical Co. that its mark was adopted in 1905. In the opposition it is alleged that the opposer began the use of its trade-mark for peroxid of hydrogen in 1908.

In my opinion the merchandise upon which the opposer had used the mark prior to 1908 were not goods of the same descriptive properties as peroxid of hydrogen, nor is peroxid of hydrogen merchandise of such a character as to come within the natural expansion of the previous business of the opposer within the rulings contained in the decisions to which reference has been made. In each of those cases the merchandise to which the trade-mark was later extended was directly in line of the regular line of merchandise in which the mark had been used. For example, in the case of *Collins v. Oliver Ames & Sons* the trade-mark had been used on axes, picks, etc., and subsequently the business was expanded to the manufacture of shovels, to which the same mark was applied.

The Examiner of Interferences aptly distinguishes the present case from those cited by the appellant as follows:

It is believed that peroxid of hydrogen and distilled and carbonated waters, and soft drinks, such as ginger ale, root beer, sarsaparilla, etc., belong to different classes of goods. The one is a pharmaceutical preparation, the others are beverages. Peroxid of hydrogen is a disinfectant and is found on sale principally in drug stores or places where drugs and preparations of this general character are sold. On the other hand, the beverages of the opposer are sold at restaurants, cafés, soda fountains, etc. It is not believed that people buying peroxid of hydrogen with the mark "Hydrox" thereon would have any right to think that the preparation was put up by a company engaged in the making of beverages. The contention of the opposer that the making of this preparation is a mere normal expansion of its business because ninety-six per cent of the compound is distilled water is without force, for distilled water enters into the preparation of innumerable compounds which have no relation whatever to each other in use and trade. The only question is whether the public, knowing of the Consumers Company's products, would have a right to believe that peroxid of hydrogen bearing the mark "Hydrox" originated with that company. It is believed that the goods are too far apart in composition, use and method of distribution to justify such an assumption.

This conclusion is in my opinion supported by the recent decision of the court of appeals in the case of *Johnson Educator Food Company v. Sylvanus Smith & Company, Inc.*, (175 O. G., 268; 37 App. D. C., 107), and the case of *Muralo Company v. National Lead Company*, (165 O. G., 475; 36 App. D. C., 541). In the former case it was held that the use of the word "Educator" upon salted, smoked, pickled, and canned fish by Sylvanus Smith & Company did not invade the right of the Johnson Educator Food Company to the use of the word "Educator" as a trade-mark for biscuits, breads, and breakfast cereals, the court stating that—

in the present case it requires altogether too great a stretch of the imagination to conclude that any one calling for breakfast food would accept salted codfish without knowing the difference. The general and essential characteristics of the two products are dissimilar, and while each is prepared for human consumption no confusion such as the statute contemplates can possibly arise in the mind of the public if the two products be sold under the same mark.

In the latter decision it was held that calcimine was not of the same descriptive properties as white lead.

In my opinion the decision of the Examiner of Interferences dismissing the notice of opposition is right, and it is accordingly affirmed.

BLANKE TEA & COFFEE COMPANY v. HIRSH.

(182 O. G., 247.)

July 31, 1912.

TRADE-MARKS—INTERFERENCE—DECLARATION—DISCRETION OF THE EXAMINER—APPEAL.

The declaration of an interference between two trade-marks is a matter within the discretion of the Examiner of Trade-Marks, and his decision refusing to declare an interference will not be reviewed on appeal, except where it appears that such discretion has been abused.

Mr. James L. Hopkins, for Blanke Tea & Coffee Company.

Mr. Ernest W. Marshall, for Hirsh.

MOORE. Commissioner.—This is an appeal by the C. F. Blanke Tea & Coffee Company from the decision of the Examiner

of Trade-Marks denying its motion to include its two registrations Nos. 27,939 and 57,581 in the interference.

Appellant contends that the mark of Hirsh, included in the present interference, so closely resembles its above registrations as to interfere therewith. The Examiner of Trade-Marks states in his decision that this matter was considered prior to the declaration of the interference in connection with the question of whether said registrations were a bar to the application of Hirsh, and at that time it was concluded that they were not such a bar. In his decision on the motion he adhered to his former ruling.

In the case of *Yonkers Brewery v. Iler and Burgweger*, (143 O. G., 258), it was held:

As to the first contention, the Examiner of Trade-Marks, as stated above, has held that there is no interference, and it is well settled that this is a matter within his discretion, and his action in refusing to declare an interference will not be reviewed in the absence of an abuse of that discretion. No such case is shown to exist here.

Said ruling is applicable in the present case, and there appears to have been no abuse of discretion on that part of the Examiner of Trade-Marks calling for a review of his decision.

The Examiner of Trade-Marks in denying the motion pointed out that his refusal to include said registrations in the interference does not preclude appellant from introducing them in evidence and obtaining the benefit of them at final hearing.

The contention of appellant that the registrations should be included in the interference, so as to shift the burden of proof to Hirsh, is not well taken. If appellant is willing to rely upon them at final hearing, he need not introduce additional testimony, and the burden imposed upon him in taking his testimony first will not be great.

The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE. J. C. BLAIR COMPANY.

(182 O. G., 247.)

July 5, 1912.

TRADE-MARKS—SIMILARITY.

The mark "Tika" Held unregistrable because of its similarity to the registered mark "Swastika."

On appeal.

Messrs. Arthur C. Fraser & Usina and Messrs. Fraser, Turk & Myers, for the applicant.

BILLINGS, First Assistant Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to register the word "Tika" as a trade-mark for various kinds of writing and printing paper and blank books.

Registration was refused in view of the mark "Swastika," registered June 30, 1908, to George B. Hurd & Co., certificate No. 69,663, for writing paper and envelopes.

The labels filed with the application show that the word "Tika" is printed thereon above the representation of a swastika and the word "Swastika."

It is urged that under the ruling of *The Standard Underground Cable Co.*, (123 O. G., 656; 27 App. D. C., 320), the applicant and not the Office is entitled to designate the features which constitute his trade-mark, and that therefore no consideration whatever should be given to the parts of the specimens which show a representation of a swastika and the word.

The only point for consideration is whether the mark which applicant seeks to register bears such a resemblance to the registered mark "Swastika" as is likely to cause confusion in the trade when applied to goods of the same descriptive properties. As is stated by the Examiner, if the two words have a similar significance their resemblance is objectionable, although they may appear different when printed and have a different sound when pronounced. As examples of such words he cites "auto" and "automobile," "phone" and "telephone," "photo" and "photograph," in all of which cases the contraction unquestionably carries the same significance as the word itself, and one would be unregistrable if the other were in use as a trade-mark. The word "Swastika" and the symbol have been much used recently for trade-marks and similar purposes and have thereby become quite familiar to the public. There might be some doubt as to whether the contraction "Tika" would carry the same significance as the word "Swastika" in the absence of the evidence furnished by applicant's specimens. The application states that the mark has been used

since February, 1908, and the specimens indicate both by the illustration and the legend that it has used it in such a way as to bear home to the mind of the purchaser in every instance that the word "Tika" is a contraction of the word "Swastika" and is intended to have the same significance. Under these circumstances it must be held that the two marks bear such a resemblance as would be likely to cause confusion as to the origin of the goods if both were used simultaneously upon similar goods.

The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE, ALLGOEVER.

(183 O. G., 505.)

July 26, 1912.

1. TRADE-MARKS—GOODS OF THE SAME DESCRIPTIVE PROPERTIES—"SYRUP FOR FLAVORING BEVERAGES," "GINGER ALE, SARSAPARILLA, AND LEMON-SODA."

A concentrated syrup for flavoring beverages held to constitute goods of the same descriptive properties as ginger-ale, sarsaparilla, lemon-soda, and club-soda.

2. SAME—SIMILARITY—"REX-O-TONE" AND "REX."

The marks "Rex" and "Rex-O-Tone" bear such a resemblance to each other as would be likely to confuse purchasers if the two marks were concurrently used upon goods of the same descriptive properties.

On appeal.

Messrs. Edgar Tate & Co. and Messrs. Herrick & Drew, for the applicant.

BILLINGS, First Assistant Commissioner.—This is an appeal from the decision of the Examiner of Trade-Marks refusing to register "Rex-O-Tone" as a trade-mark applied to a concentrated syrup for flavoring beverages. Registration was refused in view of the mark "Rex" applied to ginger ale, sarsaparilla, lemon soda, and club soda, registered May 26, 1903, by William A. Megrath, No. 40,440.

Applicant contends that the goods are of different descriptive properties and that the marks are not deceptively similar. Applicant's flavoring syrup is for the preparation of drinks, and the labels filed bear directions for its use in making soda, which is one of the drinks to which the registered mark is applied.

It is believed that these goods are of such a similar nature that a purchaser would naturally be led to believe that they were put up by the same manufacturer if he found upon them the same or similar trade-marks.

"Rex" and "Rex-O-Tone" clearly bear such a resemblance to each other as would be likely to confuse purchasers if the two marks were concurrently used upon goods of the same descriptive properties. The Examiner in his statement has cited a number of instances in which marks quite as dissimilar as these have been held deceptively similar.

The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE, SHUMATE RAZOR COMPANY.

(183 O. G., 506.)

September 16, 1912.

TRADE-MARKS—DESCRIPTIVE—"TUNGSTEEL" FOR RAZORS AND POCKET-KNIVES.

The mark "Tungsteel" as applied to razors and pocket-knives Held not registrable, since it would clearly indicate that the plates were made of tungsten steel.

Messrs. Carr & Carr, for the applicant.

TENNANT, Assistant Commissioner.—This is an appeal from the action of the Examiner of Trade-Marks refusing the registration of the word "Tungsteel" as a trade-mark for razors and pocket-knives.

Registration is refused upon the ground that the word "Tungsteel" is a contraction or misspelling of the words "tungsten" and "steel," which as applied to the merchandise above specified is descriptive in character.

It is urged that the word "Tungsteel" is an arbitrary word and that—

assuming, however, that the newly coined word "Tungsteel" suggests a combination of the words "tungsten" and "steel," the fact remains that the word "Tungsteel" is newly coined and is arbitrary in its application to razors and pocket-knives, and the Examiner fails to point out that tungsten steel has been used to any considerable extent or is desirable for use in the manufacture of razors or pocket-knives.

In the early history of this application the Examiner referred to the *Century Dictionary and Cyclopaedia*, in which it is stated that—

“tungsten steel” is a variety of special steel, now largely employed in the manufacture of the harder grades of crucible steel. * * * Tungsten steel is exceedingly hard and very brittle; it is used chiefly for the tools of lathes and planers for heavy work.

It is contended in applicant’s brief that the latter quality is undesirable for pocket-knives, and it is therefore urged that the rejection of the Examiner, even assuming that the mark is suggestive of the character of the goods, is erroneous. This contention of the applicant is not believed to be well founded. Tungsten steel is well-known as a steel having particular qualities, and the use of the contracted word “Tungsteel” would clearly indicate that the blades of the knives or razors were made of tungsten steel. If the articles were so constructed, the term would be descriptive of the quality or character of the goods; if not, it would be deceptive, and in either event prohibited registration.

The decision of the Examiner of Trade-Marks is affirmed.

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UNITED STATES CIRCUIT COURT OF APPEALS

G. & C. MERRIAM CO. v. SAALFIELD.

(198 Fed. Rep., 369.)

Sixth Circuit, July 17, 1912.

1. UNFAIR COMPETITION—DECREE—PARTIES AND PRIVIES.

One who succeeds to the business of a party defendant in a suit for unfair competition, prior to the entry of the decree, succeeds alike to the advantages and the disadvantages of that decree, and can not be held liable beyond the terms of the decree, for his acts prior to its entry, nor compelled to account for the profits of such acts, when the decree refused an accounting.

2. UNFAIR COMPETITION—ACCOUNTING.

An accounting of profits should be ordered in a suit for unfair competition, unless it clearly appear that, neither upon the existing record nor upon any record that the complainant can make before the master, could there be any substantial recovery.

3. UNFAIR COMPETITION—EMBRACES TRADE-MARK INFRINGEMENT.

The entire substantive law of trade-marks is a branch of the broader law of unfair competition. The ultimate offense always is that the defendant has passed off his goods as and for those of the complainant.

4. DESCRIPTIVE TERM—SECONDARY MEANING.

The so-called secondary meaning that comes by long usage to attach to a descriptive or geographical term as indicative of the goods of a particular origin is, in fact, in that limited field of trade-mark use, its primary meaning, while the original sense of the word has become secondary. Hence the rule that the later user must, at his peril, distinguish his use of the word from that of his predecessor.

5. UNFAIR COMPETITION—NAME OF PATENTED OR COPYRIGHTED ARTICLE.

The rule making the name of a patented article or the title of a

copyrighted work public property after the expiration of the statutory term of monopoly is an application of the rule regarding descriptive terms. That which was an apt term of description during the continuance of the monopoly, necessarily becomes open to the public on its expiration. If, however, the name has become indicative to the public of the goods of the original user, a subsequent user must so differentiate his goods from those of the other as to prevent confusion.

6. ACCOUNTING—RECOVERY OF PROFITS.

The controlling question of an accounting is whether a sale was induced by deception of the purchaser. The sales for the profit of which defendant must account are those lost to complainant and which except for the defendant's acts in misleading the purchaser, would have accrued to the complainant. But profits can not be recovered on sales where the purchaser knowingly accepted the defendant's goods, not as those of the complainant, but in place thereof.

When simulation of complainants' goods has been established by the decree, it will be presumed, in the absence of evidence to the contrary, that any sales thereof were induced by such simulation.

On re-hearing. For opinion on former hearing, see Reporter, Vol. 2, p. 1, *et seq.*; 190 Fed. Rep., 927.

W. B. Hale, for appellant.

George F. Bean and *Lawrence Maxwell*, for appellee.

Before WARRINGTON, KNAPPEN, and DENISON, Circuit Judges.

DENISON, Circuit Judge.—Pursuant to the reservation in the opinion filed October 28, 1911, a re-hearing has been had upon the sole question whether or not an accounting should be ordered. As reasons why this should not be done, defendant urges the Massachusetts decree as being an adjudication upon this subject, and also urges the decisions and the arguments recited by Judge Putnam and referred to in our former opinion, to the effect that, in a situation like this, an accounting can result in nothing but expense and confusion. In favor of an accounting, complainant urges: (1) That such is the usual and almost invariable practice; (2) that Judge Putnam's comments on this branch of the subject were dicta, and that the legal rule is not as he thought it should be; (3) that the rule of accounting, in a case like this, should be, and is, the same as in a trade-mark case.

In addition to these matters, and in answer to the insistence

of defendant's counsel that defendant has not infringed since the Massachusetts decree, complainant's counsel asserts himself to be in possession of proof showing unquestionable violations of the rule since that time, and on a considerable scale, and further asserts that, as such an accounting extends up to the date of the master's report, it is not essential that the record, on an appeal taken before an accounting is had, should disclose all of complainant's proofs entitling him to an accounting, but that he may, under the prevailing practice, withhold such proof until after the interlocutory decree, or it may not come into existence until after the interlocutory decree.

We have first to consider the direct effect of the Massachusetts decree. That decree was entered by the circuit court on April 21, 1909, pursuant to the opinion of the court of appeals as reported in 170 Fed., 167, 95 C. C. A., 423. The defendant in this case, Saalfield, succeeded the defendant in that case, Ogilvie, in the business, in December, 1908. That decree speaks as of its date, and, in connection with the opinion, it is an adjudication that, by reason of complainant's former misconduct, it was not entitled to an accounting against the defendant for anything done by the defendant up to that date. We think it is the proper conclusion on this record, and we interpret our former opinion to be a conclusion, that after December, 1908, Saalfield was in substantial effect the defendant in the Massachusetts case, and it follows that he may take advantage of that adjudication, just as he is bound by it, and that for his alleged misconduct upon this subject-matter, committed prior to April 21, 1909, there can be now no accounting ordered against him.

What, then, is the general rule as to an accounting, to be applied to defendant's acts after April 21, 1909, and under such a situation as that here disclosed? In so far as Judge Putnam's discussion is founded upon the rule in patent cases, it finds its essential support in *Garretson v. Clark*, 111 U. S., 121, 4 Sup. Ct., 291, 28 L. Ed., 371. This case has often, if not commonly, been understood as laying down the rule that, where it is impossible to apportion the infringer's profits between those resulting from the patented and nonpatented features of his device, it was, therefore, impossible for complainant to sustain the ap-

portioning burden placed upon him by the rule, and hence, in such cases, that only nominal damages could be recovered. That this decision should not be so broadly interpreted is made apparent by *Westinghouse Co. v. Wagner Co.*, 225 U. S., —, 32 Sup. Ct., 691, 56 L. Ed., —, announced by the supreme court June 7, 1912. The rule is there stated, apparently by way of a deliberate and careful effort to clarify some of the existing confusion on the subject, that complainant satisfies the burden when he establishes that the infringer has so conducted the affair as to make impossible even an approximate or fairly estimated apportionment, and that, in such case, the infringer must account for and pay over all the profits earned upon the entire structure. If, therefore, the analogy between patent cases and cases like the present is as close as Judge Putnam supposed, and if, as he feared, the difficulties of apportioning profits or damages are here insoluble, the complainant is entitled to recover all the profits resulting from those publications by defendant which were characterized or materially affected by false indicia of origin.

The only decision in an unfair competition case which is relied upon against the propriety of an accounting in such a situation, is *Ludington v. Leonard* (C. C. A. 2), 127 Fed., 155, 62 C. C. A., 269. We are satisfied that such case presented a very different problem of accounting from that now involved. On the other hand, the circuit court of appeals in the second circuit has recently ruled that an accounting must be had in an unfair competition case, where the difficulty was perhaps as great as it may be here (*Florence Co. v. Dowd*, 189 Fed., 46, 110 C. C. A., 608) [Reporter, Vol. 1, p. 289]; and applying the rule there recognized, it is sufficient for the purposes of the present case to say that the usual practice contemplates an accounting and that such practice should be followed and an accounting ordered, unless it is made clearly and certainly to appear that neither upon the existing record, nor upon any record which complainant can make before the master, could there be any substantial recovery. If there remains any fair probability that the complainant can produce the necessary proof, or that, upon final hearing, and as aided by all such proof, the trial court or the reviewing court may think that complainant is entitled to a

recovery of damages or profits (beyond the amount of any which may be tendered, if a tender is made), then the complainant should have the opportunity to make and present his case.

Applying this conclusion to this record, we find that since the final Massachusetts decree defendant has continued the publication of his books and of his advertisements in a manner which he claims fully conforms to the decree, but which complainant insists is a continued evasion, and hence violation, of the decree. The record does not purport to show defendant's conduct in this respect later than December, 1909; and complainant, if proceeding in good faith, as we are bound to presume it is proceeding, is entitled to show such later or other conduct of defendant as may be different from that developed by the record. Upon the question whether such new or other forms, differing from those shown by the present record (if any there are), are in compliance with the decree, complainant has a right to be heard.

We do not doubt that the respective rights of the parties are fixed and declared by the Massachusetts decree. This is just as much an adjudication that the complainant is not entitled to that general character of relief which it sought by its bill and failed to obtain by the decree, or to the specific items of relief contained in its draft decree proposed and stricken out on settlement (in so far as such items are not otherwise covered by the decree as settled), as it is an adjudication that complainant is entitled to the relief granted.

The questions which will arise on this accounting are incidental to the application of the decree to situations subsequently existing, and such application necessarily calls for interpretation. In the decisions upon this case in the first circuit, the opinions of the courts only undertook to apply to the facts of the case rules and adjudications that were assumed to be familiar. The interpretative conflicts which have arisen seem to make it advisable to ascertain, somewhat more completely than those courts thought their statement necessary, the principles which underlie those decisions. A trade-mark is a trade-mark because it is indicative of the origin of the goods. The original right to its exclusive use was not based upon any statute, but upon principles of equity; and the right is acquired, not by discovery or inven-

tion or registration, but by adoption and use. The entire substantive law of trade-marks (excepting statutory provisions and construction) is a branch of the broader law of unfair competition. The ultimate offense always is that defendant has passed off his goods as and for those of the complainant. *Capewell Horse Nail Co. v. Mooney* (C. C. A.), 172 Fed., 826, 97 C. C. A., 248; *Elgin, etc., Co. v. Illinois Watch Co.*, 179 U. S., 665, 21 Sup. Ct., 270, 45 L. Ed., 365. More or less confusion has arisen because it happened that the specific offense and the specific rule were recognized and a body of law grew up concerning the same before the broader and inclusive offense was recognized and defined; but this does not prevent proper classification after both are understood.

Primarily, it would seem that one might appropriate to himself for his goods any word or phrase that he chose; but this is not so, because the broader public right prevails, and one may not appropriate to his own exclusive use a word which already belongs to the public and so may be used by any one of the public. Hence comes the rule, first formulated in trade-mark cases, that there can be no exclusive appropriation of geographical words or words of quality. This is because such words, are, or may be, aptly descriptive, and one may properly use for his own product any descriptive words, because such words are of public or common right. It soon developed that this latter rule, literally applied in all cases, would encourage commercial fraud, and that such universal application could not be tolerated by courts of equity; hence came the "secondary meaning" theory. There is nothing abstruse or complicated about this theory, however difficult its application may sometimes be. It contemplates that a word or phrase originally, and in that sense primarily, incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been used so long and so exclusively by one producer with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase had come to mean that the article was his product; in other words, had come to be, to them, his trade-mark. So it was said that the word had come to have a secondary meaning, although this

phrase, "secondary meaning," seems not happily chosen, because, in the limited field, this new meaning is primary rather than secondary; that is to say, it is, in that field, the natural meaning. Here, then, is presented a conflict of right. The alleged trespassing defendant has the right to use the word; because in its primary sense or original sense the word is descriptive; but, owing to the fact that the word has come to mean, to a part of the public, something else, it follows that when the defendant approaches that same part of the public with the bare word, and with nothing else, applied to his goods, he deceives that part of the public, and hence he is required to accompany his use of the bare word with sufficient distinguishing marks normally to prevent the otherwise normally resulting fraud.

The fact that a defendant is required to take this precaution demonstrates that in a very true sense his use of the word has become the secondary one; otherwise, he need not carry the burden. In this particular field, the word naturally indicates the product of the complainant, and hence defendant must do something to remove the natural impression. This view may be illustrated by reference to the Singer Case. *Singer Mfg. Co., v. June Mfg. Co.*, 163 U. S., 169, 16 Sup. Ct., 1002, 41 L. Ed., 118. It was established as a fact that to those buying and using sewing machines the word "Singer" had come to import that the machine on which it was used was made by the Singer Company; in other words, when that part of the public saw a sewing machine marked "Singer," its first and natural thought was that the machine was made by the Singer Company. If one who saw a sewing machine marked "Singer" would primarily and naturally accept the word as referring only to the mechanical construction of the machine according to the Singer patents, then the June Company committed no fraud by using the word without explanation, and the burden would have been upon the Singer Company further and particularly to identify its goods; but this was not the result. The whole burden was put upon the June Company.

The situation arising under an expired patent or copyright can not be differentiated from that arising with reference to any other descriptive word. There can be no trade-mark or similar exclusive right in what has been, during the life of the patent or

copyright, the name of the patented article or copyrighted book, not because of any particular rule of trade-mark or patent law, but because the word, during the term of the monopoly, has come to be a word of apt description. It has come to be the name of the thing, and hence any one who later makes the thing may call it by its true name. Neither is there anything peculiar in the application of the secondary meaning theory to this class of cases. It is to be applied just as with reference to any descriptive word, and if, after the word comes into existence and becomes free to the public as the name of the thing, it is used by one manufacturer so long and so exclusively that it comes to be, to that part of the public, indicative that it is his product, he is entitled to protection for the same reasons, in the same way and to the same extent as held with reference to "camel's hair belting" (*Raddaway v. Benham*, App. Cas., 1896, p. 199), "Glenfield starch" (*Wotherspoon v. Currie*, L. R. 5 H. L., 508), "Elgin" or "Waltham" watches (*Elgin Co. v. Illinois Co.*, *supra*; *Am. Watch Co. v. U. S. Watch Co.*, 173 Mass., 85, 53 N. E., 141, 43 L. R. A. 826, 73 Am. St. Rep., 263), or "Hall's safes" (*Herring, etc., Co. v. Hall, etc., Co.*, 208 U. S., 554, 28 Sup. Ct., 350, 52 L. Ed., 616).

Exactly so, and of necessity, with regard to this copyrighted book. During the term of the copyright the proprietor has a monopoly of the article—of the book, as well as of the name. When the copyright expires, both name and book pass into the field of public right. Any future right by the publisher in the title, as against the public, must rest upon public acquiescence. As to a geographical or commonly descriptive word, this period of public acquiescence begins as soon as the proprietor adopts the word for his goods; the word being then free to the public. As to a word of which the proprietor has a monopoly by express grant, like the name of a copyrighted book, it may well be that the necessary public acquiescence can not begin to run until the name becomes free to the public; but, however that may be, and in either case, when the acquiescence has been continued long enough and has been exclusive enough, the word comes to be indicative of origin through its thus acquired "secondary meaning." Whether it is the name of a formerly (but no longer) patented article, or is the title of a book with expired copyright,

it has become the maker's or the publisher's token, and differs from a technical common-law trade-mark mainly, if not wholly, in the fact that the proprietor's right is not of absolute, but of qualified, exclusion.

So it is wrong, in such a case, and when this "secondary meaning" is once established, to start with the premise that defendant is entitled to use the word; *prima facie*, viewed from this point, he is not. The right, for the purposes of such a case, is primarily vested in the complainant. Defendant may not use the word at all, unless he accompanies it with the explanation; he must neutralize an otherwise false impression; he must "unmistakably inform" the public that the article is of his production (*Singer Mfg. Co. v. June Mfg. Co.*, *supra*, 163 U. S. 200, 16 Sup. Ct., 1002, 41 L. Ed., 118); he must so distinguish that "no one with the exercise of ordinary care can mistake" (*Saxlehner v. Eisner & Mendelsohn Co.*, 179 U. S., 19, 41, 21 Sup. Ct., 7, 45 L. Ed., 60); he must give "the antidote with the bane" (*Herring, etc., Co. v. Hall, etc., Co.*, *supra*, 208 U. S., 559, 28 Sup. Ct., 350, 52 L. Ed., 616).

Returning from this discussion of underlying principles, let us see how they have been applied and are to be applied in this controversy. We think it clear, both from the necessities of the situation and from what was said by the courts of the First Circuit in their decisions, that their decree was based upon an application to these facts of the secondary meaning theory. It was found that the term "Webster's Dictionary" had in the minds of the dictionary public the meaning that the book so named or marked was the Merriam book; and this finding may well rest upon sufficiently exclusive use, with public acquiescence, from 1889, when the copyright expired, till 1904, when Ogilvie published: In that same connection, it was found that when the copyright expired, in 1889, any one had the right to publish a Webster's Dictionary, and to call it by that name, and, as matter of course, that the defendant might justify as licensee under this public right. It was also found as a fact that the book published by defendant was a book which, under this rule, he was entitled to call Webster's Dictionary; and this finding, like the remainder of the decree, must be accepted by both parties. It

was also found that he did not have a broad and unqualified right to publish his book by this name; but his right in this respect was secondary to that of complainant, and that, consequently, when he called his book "Webster's Dictionary," *he*, the defendant, must qualify and distinguish.

The effect of the decree is not to be confined to the two styles, "Universal" and "Imperial," then published; its general terms extend as well to any other forms the defendant may publish; and it follows that in this accounting, his books, called "Inter-Collegiate," "Adequate," and "Sterling," are subject to scrutiny under the same rules as the "Imperial" and "Universal." Nor is it to be overlooked that the decree does not merely prescribe a notice for the title-pages; it forbids publishing or issuing the title-pages and backs "in their present form, or in any other form in any way calculated to deceive purchasers" into purchasing this dictionary in the belief that it is a Merriam Webster's Dictionary; and this prohibition (except so far as it may be interpreted and applied by the other parts of the decree) must be interpreted in the present accounting with reference to defendant's books. Again, the provision that the notice shall be "plainly printed" is not necessarily satisfied merely because the prescribed words are printed in legible type; it is not "plainly printed" if the page in its entirety indicates an intention to conceal the notice rather than to make it plain.

Further than this we can not go at this time in construing the decree. We must reserve, for decision after proofs and arguments, the specific questions indicated with more or less distinctness by the present record, among which are: Whether the exterior of the book, in its use of the title or in other inscription, or in decoration or ornament, was "calculated to deceive;" whether the notice properly printed on the title-page would cure any misleading otherwise naturally caused by the exterior (if any would be so caused); whether the notice was "plainly printed" by defendant in the instances where it was used by him; whether the title qualification is required in connection with each use of the title, and in what juxtaposition; and whether "Inter-Collegiate" is of itself a violation of complainant's rights. The question to what extent, if at all, defendant's good or bad faith

in what he has done in purported observance of the decree will affect the ultimate equitable liability for profits, must also be reserved.

Upon the subject of profits: We think the controlling question must be whether a sale was the result of the misleading. In a patent case, and in determining the patentee's right to the infringer's profits, the loss of the sale by the complainant patentee is not vital. He may recover profits, even if he had not been manufacturing and would have been then unable to make the sale; and this is because he had a monopoly in the article itself. Not so, regarding a trade-mark and the right to protection against unfair competition; these rights are only incidental to an existing business; they can not be independently injured or suffer damages; they do not create any monopoly in the article itself; there can be no damage in connection with violation of these rights, except as there is injury to the business and good will; and this damage can be only through loss of sales which otherwise would have accrued to the injured business (or, indeed, damage to the reputation of the goods—another subject). It follows, as applied to these books, that if the purchaser, immediate and ultimate, knew that he was not buying the Merriam book, but something different from, and claimed to be better than, the Merriam book, and thus deliberately made his choice, there is no room for any inference that complainant lost a sale as the result of defendant's misleading, and so no room for the inference that it lost any profits or that defendant received any profits as trustee for complainant.

Where the title was not qualified as the law and the decree required (if such cases appear), and it further appears, by direct proofs or by necessary inference, that it is impossible to determine whether this unlawful title use was the inducing cause of the sale—in other words, when it appears that such title was one of the causes, and it is impossible to apportion between that and other causes, the credit for the sale—then (and if we are to adopt the analogy of the patent cases) there must be a presumption that the sale results from the unlawful use of the name. The defendant has confused the marking and dress, which he had a right to use, with those which, as against complainant, he had no right to

use. The latter part is a material, if not the major, part of the whole. If the history of the sale can not be more definitely ascertained and followed, and so it is impossible to say which part of the dress exercised the predominant influence, then under the principle of *Westinghouse Co. v. Wagner Co.*, the defendant must respond.

The correlative is equally true. If books which offend only by bearing the title bear also the required qualification, there could, from their dress alone, be no inference that their sale was the result of unfair competition. Nevertheless, if it could be shown that such a book was in some other effective manner represented to be complainant's book, and was bought by reason of such misleading, such sale would be equally an invasion of complainant's rights.

Not only does this result follow from adopting the analogy of the patent law, but we take this to be the rule also of the trade-mark cases; and when some of them declare that the defendant must respond for his profits on every article which bore the trade-mark stamp upon it, they intend to go no further than to say that such marking raises a presumption that the sale thereof was effectuated by this false marking or unfair competition. They are not inconsistent with the disputable character of this presumption. In many cases, probably in the typical case, it would be practically impossible to dispute the presumption, because, even if it appeared that the first purchaser, like the wholesaler or dealer, knew what he was buying, this would not, of itself, affect the presumption of a fraud upon the ultimate consumer or user; but, even in the case of a technical trade-mark, if every purchaser, immediate and ultimate, knew that he was getting the counterfeit, and not the genuine, and bought it because he preferred the counterfeit to the genuine, there would be no liability for profits. We find nothing inconsistent with this limitation in the reported trade-mark cases.

It follows that, except for the question of ultimate liability above reserved, the complainant will be entitled to defendant's profits upon sales of books which did not substantially comply with the decree, if it is made to appear, and in the instances where it is made to appear, that it is impossible to apportion the credit

for the sales, as well as in those instances where it does sufficiently appear that the sale was due to such noncompliance. In this connection it is apparent that defendant will not be liable, even where the books did not comply with the decree, in so far as he may show that the final purchasers intelligently and knowingly intended to buy defendant's book and not the plaintiff's.

Complainant will also (with the same exception above reserved) be entitled to recover defendant's profits upon sales, if any there be, of books which did not violate the decree directions, but which sales were the result of a belief that the books were the Merriam publication, actively induced by defendant through some misleading means beyond the mere use of the name. Upon this subject, the burden must be on complainant to establish such misleading and the reasonable probability that the sale resulted therefrom.

Complainant may show upon the accounting, if it can, that excepting for the misleading, it would have made specific sales which defendant did make, and show its damages by way of loss of profits. If such cases are established, the question of the proper disposition of defendant's profits and complainant's lost profits on the same sales can be disposed of in regular course.

The present record sufficiently indicates that there is no computable basis, if there is in fact any basis, for damages to the reputation of complainant's books by reason of defendant's publications, and the accounting should not attempt to cover that subject.

With the views which we have expressed concerning the book itself and the theory of recovering profits in such cases, we do not now see that the general advertising, if tested by the rules adopted, and if found unfair, can constitute any independent basis of recovery; but it may serve as evidence tending to show, generally or in specific instances, whether purchasers were misled by defendant, or whether they were fairly informed as to the identity of the book. Whether it may prove a sufficient basis for any conclusion on this subject can not now be determined.

In the former opinion, the injunction was directed to be in the same form as that finally entered in Massachusetts. It was, of course, intended that such modifications should be made as

to fit the form to this case. So modified, it will read as follows:

"That a perpetual injunction issue in this suit restraining defendant, Arthur J. Saalfeld, his agents, attorneys, servants, employees, and all persons claiming or holding through or under him, from using as the name or title of his said dictionaries described in the bill herein, to which this litigation relates, the words 'Webster's Dictionary,' or 'Webster's Imperial Dictionary,' or 'Webster's Universal Dictionary,' or 'Webster's Inter-Collegiate Dictionary,' or 'Webster's Adequate Dictionary,' or 'Webster's Sterling Dictionary,' or any equivalent thereto upon the title-page or upon the back or cover of said dictionaries, or in any advertisement, circular, notice, or announcement referring to said dictionaries, unless accompanied by the following statement plainly printed upon the title-page and in each said advertisement, circular, notice, or announcement, *viz.*: 'This dictionary is not published by the original publishers of Webster's Dictionary or by their successors'—and especially from publishing or issuing in the form used by George W. Ogilvie with reference to certain of said dictionaries the title-pages and backs of said dictionaries and the circulars and advertisements adjudged misleading or deceptive by the United States Circuit Court for the District of Massachusetts, in the suit wherein the complainant herein and George W. Ogilvie were parties, or any other form of title-page, back, circular, or advertisement that is in any way calculated to deceive purchasers into purchasing defendant's dictionary under the belief that it is a Webster's Dictionary published by the complainant."

NATIONAL WASHBOARD CO. v. GOLDSTEIN

(198 Fed. Rep., 68.)

Second Circuit, July 17, 1912.

UNFAIR COMPETITION—PRELIMINARY INJUNCTION—MARKS OF SIZE.

A preliminary injunction will not be granted to restrain the use of numerals to indicate size, style and shape of the articles to which they are applied where the articles are so marked as to be easily distinguishable one from the other.

Appeal from an order of the district court for the eastern district of New York, denying a motion for a preliminary injunction.

For opinion below, see Reporter, Vol. 2, p. 352.

Appeal from an order refusing to grant a preliminary injunction restraining the defendant from using certain arbitrary numbers in connection with the sale of washboards. This motion was made on the 23d of February, 1912, and was decided March 15, 1912, the court filing the following memorandum: "In view of the conflicting statements concerning the significance and use

of arbitrary numbers on washboards I am not disposed to grant at this time and upon affidavits a further injunction based upon the use of numbers alone"

Prior to this and on November 11, 1911, the court had granted a preliminary injunction restraining the defendant from marking the washboards sold by him in imitation of the complainant's washboards and from simulating any of the complainant's trade brands or markings in connection with the sale of washboards. This order has been complied with so far as brands, names and markings are concerned. The present motion is designed to extend the injunction so as to prohibit the use of certain "identifying figures or numbers used by complainant" in the manufacture and sale of washboards.

The bill contains the following allegation: "That the washboards so manufactured and sold by your orator as aforesaid are of various styles, and that for the purposes of identifying said styles, and distinguishing them from each other your orator adopted and applied to said washboards of its manufacture certain arbitrarily selected numbers. That among the numbers so arbitrarily selected by your orator and applied to the washboards of its manufacture for said purpose were the numbers 500, 501, 604, 609, 808, 809, 831, 840, 841, 850 and 851." It is the use of these numbers for identifying the styles of washboards that the complainant seeks to enjoin.

Drury W. Cooper and *Edward Rector* for appellant.

O. Ellery Edwards, Jr., and *Benedict S. Wise*, for appellee.

Before LACOMBE, COXE, and WARD, Circuit Judges.

COXE, Circuit Judge (after stating the facts as above).—There is no question that before the injunction of November 11, 1911, was issued, the defendant had so dressed his goods in imitation of the complainant's trade-names and brands that the public might be deceived into taking his washboards for those of the complainant. All of these questions have, however, been eliminated by the changes made pursuant to the directions of the order.

We understood the complainant to concede at the argument that practically the only question now presented for consideration relates to the use of the arbitrarily selected numbers; but whether conceded or not this, in our judgment, is the only question to be considered. We are, therefore, confronted with the single proposition—should the court enjoin the use by the defendant of numbers designed to show the style of his washboards and to distinguish them one from the other, because the complainant had previously adopted similar numbers to serve a similar purpose and, perhaps, to indicate origin?

We do not deem it necessary to answer this question definitely at this time. It is sufficient to say that we think it too doubtful to be answered affirmatively upon a motion for a preliminary injunction. It is undoubtedly true, where a manufacturer has selected an arbitrary combination of figures or letters to designate his goods, which combination in the minds of the purchasing public has become a substitute for the name of the manufacturer as indicating origin, that the courts have, in several instances, enjoined the use of such a combination by a rival manufacturer. But in many of these cases the figures were part of a general scheme of dressing up the goods for the market and were considered in connection with and as parts of other marks, brands and insignia. Here we are considering the numbers alone on goods, which in other respects, are now clearly distinguishable from the complainant's goods. In the cases referred to the courts have been convinced that the numbers or letters were designed to indicate origin.

In the case at bar this is seriously disputed and it is vigorously contended that the defendant adopted the numbers simply and solely to indicate the size, shape and style of the respective boards, so that, in ordering the purchaser can readily indicate the boards he desires, in the same manner as a pair of shoes, a hat or a collar is ordered by number. Again, we are unable to find any proof that purchasers have actually been deceived since the injunction of November 11th, by the use of the numbers. Indeed it seems quite improbable that, in existing conditions, a purchaser having the ordinary mental equipment, can be so deceived. The complainant's boards are now plainly marked in red ink

"National," the defendant's boards are plainly marked in black ink "Manhattan." If a purchaser has examined into the respective merits of the two boards and actually desires a National, it is impossible to believe that he can be induced to take a Manhattan because the same number appears on both. If he has no choice between them, it is manifest that he can not be defrauded. There is no substantive proof of fraud, or deception, or even of confusion, which can be attributed to the numbers alone. It is, of course, convenient to have the same number indicate the size and quality of the boards, no matter who may be the maker, and the proof should be clear that it was adopted with intent to injure and defraud the manufacturer first using it.

The questions in controversy are questions of fact; they have not been clearly established in favor of the complainant and should not be decided upon affidavits, but should await the final hearing after the witnesses have been tested by cross-examination.

The order is affirmed with costs.

LACOMBE, Circuit Judge (dissenting).—I am unable to concur with my associates and think this an especially vicious case of unfair competition. Defendant for several years subsequent to 1907 marked his washboards with various combinations of words, containing his business name and address and some arbitrary word, "Diamond," "Globe," or what not, indicating the size and style of washboard. During the same period complainant manufactured and marketed washboards, marking them with a combination in black of its own name, its business address, the word "National" in a contrasting color (red), and certain arbitrary numbers designating size and style of washboard. In 1911 defendant, in place of the mark it had theretofore used on one side of its washboards, substituted a Chinese copy of complainant's mark, with the exception that the word in red was "Manhattan," instead of "National." No amount of testimony (and there was such testimony) by defendant, or his sons, all interested parties, could convince me that he did not intend by the substitution to mark his washboards in such a way that persons might mistake them for complainant's, and did not expect that thereby the sale of his own goods might be increased.

It must be assumed that the defendant equally with the purchasing consumer has "the ordinary mental equipment." If so, it follows that he changed from the old to the new style of marking his goods, not fortuitously, but with an intelligent purpose. That purpose is manifest. This was unfair trading, and in a former suit the court so held and ordered defendant to put a stop to it.

Defendant then modified his mark. The details need not be discussed, since the new mark seems to be sufficiently differentiated from complainant's, except only as to certain numbers, to restrain the use of which this suit is brought. These numbers, as has been said, were placed by complainant on its different sizes and styles of washboards, so that each size and style was marked with its assigned number. The numbers, in connection with the other indicia, are used by complainant to identify its product. These numbers are wholly arbitrary—such as 501, 608, 841, etc. They are not descriptive, as are the numbers stamped on collars, 15, 15½, 16, etc., to indicate the length of the article from buttonhole to buttonhole in inches; nor are they, like the numbers or the letters marked on shoes, 4, 4½, 5, a, b, c, etc., which indicate size; all the trade having for generations used "5a" to indicate a shoe of a certain length and width. Although arbitrary and originating with the plaintiff, they might, with its acquiescence, have been appropriated by the trade and generally used to designate goods of sizes and styles like those of complainant. But the testimony shows that nothing of this sort has occurred. Very many washboards are marked and sold with these numbers, the meaning of which the public is becoming accustomed to; but that is because complainant's business is a large one and it sells many goods. The significant fact is that complainant, and complainant only, since their adoption in 1907, has used these particular figures in connection with washboards, until defendant undertook to appropriate them in 1911, whereupon suit was promptly brought.

The combination of units, which may be used by any one who wishes through their use to identify some particular size or style of his goods, is practically unlimited. It was perfectly easy for defendant to select for his own use numbers which were not already associated in the mind of the public with com-

plainant's. That he appropriated these numbers of the complainant with the expectation that their use might induce some persons to suppose that they were the same goods as those of the complainant, and that in that way the sale of his own goods might be increased, seems to me manifest, and no amount of testimony by interested parties to the contrary is at all persuasive.

It seems to be a clear case of unfair trading, and I therefore dissent.

UNITED STATES CIRCUIT COURT

MCGRAW TIRE & RUBBER CO. V. GRIFFITH, *et al.*

(198 Fed. Rep., 566.)

Southern District of New York, July 21, 1911.

1. TRADE-MARK—PRIORITY OF USE.

The trade-mark "Imperial" for automobile tires held upon the evidence, to be the property of the complainant, by virtue of prior use.

2. UNFAIR COMPETITION—TRADE-NAME.

The use of the corporate name "Imperial Tire Co." in the sale of automobile tires is unfair competition against the complainant, the owner of the mark "Imperial" for the same goods.

In Equity. On motion for a preliminary injunction.

Kenyon & Kenyon, for complainant.

Graham & L'Amoreaux, for defendant.

WARD, Circuit Judge.—The complainant, a corporation and citizen of the state of Pennsylvania, filed its bill against the defendants, citizens of the state of New York, for infringement of its common-law trade-mark in the use of the word "Imperial" in connection with automobile tires and for unfair competition. The motion is for a preliminary injunction.

The use which the defendant Griffith or the Automobile Tire Company made of the word "Imperial" in the summer and fall of 1908 was insignificant, with no effect whatever upon the market, and in my opinion entirely insufficient to establish a common-law trade-mark. It was the complainant which made the word known and gave it value in connection with the large and in-

creasing manufacture of unguaranteed tires, which it began in the fall of 1909. The words, "Imperial," "Made by the McGraw Tire & Rubber Company," and "E. Palestine, O.," were moulded upon them.

If Griffith or the Automobile Tire Company could be supposed to have any prior rights in the word "Imperial" in this connection, I think they abandoned it by the contract of May 3, 1910, under which they agreed to buy 7,500 unguaranteed tires from the complainant prior to November 1, 1910. These were to be of the Clincher and Dunlop types; the former the complainant might manufacture for anyone at the same rates, but the latter only for the Automobile Tire Company. Down to November 1st it bought these tires to the cost of \$90,751.92, 5,200 of them being Clinchers. All of these were marked as above stated. No claim whatever was made of a prior right in the word "Imperial" except in connection with the suggestion of May 24, 1910, that the complainant should either sell all its tires to the Automobile Company or else have tires manufactured for it branded with another name than Imperial, which was never followed up.

January 5, 1911, the defendant Griffith organized the "Imperial Tire Company" under the law of the state of New York. It had a capital of \$5,000, and the incorporators were the defendant Griffith, his wife, and a gentleman from the office of his lawyers.

In April, 1911, the complainant heard that the defendants were selling tires made for them by others moulded with the words, "Imperial," "Made by Griffiths Tire & Rubber Company," or, "Made by the Imperial Tire Company," in obvious similarity to the complainant's moulding. April 4, 1911, it notified the defendants Griffith and the Automobile Tire Company that this was an infringement of its right, to which they replied April 5th, claiming a prior right to the use of the word "Imperial" and for the first time saying that they would insist upon it.

I feel quite clear that the defendants are infringing the complainant's trade-mark and are also guilty of unfair competition in organizing a corporation under the name "Imperial" Tire Company and advertising and selling tires as made by it or for it.

The motion for a preliminary injunction is granted.

UNITED STATES DISTRICT COURT

DE NOBILI V. SCANDA.

(198 Fed. Rep., 341.)

Western District of Pennsylvania, July 6, 1912.

1. TRADE-MARK—REGISTRATION BY ALIEN.

A copartnership, all the members of which were citizens and residents of Italy, having established a cigar factory in the United States, and registered a trade-mark for the products of that factory, are held not to be entitled to the protection of a court of equity against infringement of their trade-mark or unfair competition by simulation of their label by a citizen of the United States, because, the manufacturer of tobacco being a government monopoly in Italy, the complainants could not secure a valid registration of their trade-mark in that country, nor does it afford reciprocal privileges to an American citizen. The registration is invalid.

2. INFRINGEMENT—DECEPTIVE LABELS.

A label printed almost entirely in Italy, designating the cigars to which it is applied as Italian cigars, and failing to show with any clearness where the cigars are made, is calculated to deceive the purchasers into the belief that the cigars were made in Italy and is not therefore entitled to protection in a court of equity.

3. TRADE-MARK—FOREIGN FLAG.

A label containing the representation of two Italian flags is not properly the subject of registration as a trade-mark in the United States.

In Equity. On final hearing.

Stonecipher & Ralston, for plaintiff.

A. H. Wanner, for defendant.

ORR, District Judge.—This matter comes before the court for final hearing. The bill is filed by Prospero De Nobili, for himself and about 40 others, who are not named, who are engaged as partners under the name and style of Prospero De Nobili & Co. in the manufacture of cigars and tobacco, to restrain the defendant, Joseph S. Scanda, who is also engaged in the manufacture of cigars, using a trade-mark, labels, packages, and boxes like those of the plaintiffs. The evidence discloses the following facts:

The plaintiff and his associates are all residents of Italy and citizens of that foreign country. Near the close of 1906, or early in 1907, they began the manufacture of cigars at Long Island City in the state of New York. They adopted a trade-mark and duly registered the same in the United States Patent Office on January 18, 1907. That trade-mark consists of a circle having

inclosed therein the initials of the firm and having upon its outer circumference, immediately above the initials, the Roman symbol of the wolf suckling Romulus and Remus. The said trade-mark appears upon the plaintiff's label, which label is intended to be applied so that the trade-mark will appear at the end of the plaintiff's box of cigars. The defendant uses upon his label a design different from the trade-mark of the plaintiff in some respects. Instead of a circle, the defendant uses a diamond-shaped parallelogram, within which are the defendant's initials and upon which is the Roman symbol of the wolf and children. These devices are by no means the important features of the labels used by the parties.

The distinction pointed out in these designs is, however, one of the most noticeable differences between the labels of the plaintiff and that of the defendant. The label adopted by the plaintiff is straw-colored, upon which appear designs and printing in the making of which five or more different colors are used. To one not accustomed to careful discrimination, the label of the defendant would be mistaken for that of the plaintiff. A mistake might be made in the purchase of the defendant's cigars for those of the plaintiff, not only from the similarity of the labels, but from the marked similarity of the boxes upon which the labels are respectively placed, and also from the fact that the cigars inside of the boxes are packed in the same way.

From all the evidence the conclusion must be found that the defendant, who had been in the business of manufacturing cigars for a number of years, first used the label now placed by him upon his cigars after the plaintiff had begun to place his cigars upon the market. The defendant is not sufficiently clear in his testimony as to the time of the adoption of the designs, labels, and boxes used by him to even raise a doubt in the mind of the court that he has sought by unfair means to avail himself of the growing demand for the plaintiff's cigars by simulation intended to lead consumers to the belief that his cigars were the same as the plaintiff's. If there were nothing else in the case, the plaintiff would be entitled to a decree and an injunction as prayed for.

It appears, however, that while the plaintiff is claiming that the defendant is deceiving the public, he himself may not be

wholly free from a similar charge. That portion of plaintiff's label which is placed upon the top of the boxes containing cigars, so far as it appears without a most careful examination, is all in Italian. The only portion which does not appear to be in Italian is upon one of two signs on the red building inclosed within an ellipse. On that sign appears:

Prospero De Nobili & Co., Italian Cigar Manufacturers.

Upon the other sign upon said building appears:

Prospero De Nobili & Co., Manifattura di Sigari Italiana.

Above the ellipse appears:

¹⁰⁰
Prospero De Nobili & Co., Manifattura di Sigari & Tabacco.

And below the ellipse:

Pierce Ave. and Hamilton St., L. I. C.
Sigari a foggia Napoletani.
Cent.

There is another label in litigation in this case like the one just above described, differing, however, from that one in that the word "Toscani" appears on it in place of "Napoletani." The Toscani and Napoletani are names given to certain shapes of cigars, and the labels are used with respect to the different shapes as the case may be.

At the time these labels were first used by the plaintiff there appeared upon the building an American flag, and as well, also, on either side of the American flag, an Italian flag. But for some years past the American flag has been blotted out, so that there appears to be a flag of deep blue or black only. The Italian flags still remain. There is nothing upon the upper part of the label, or the side of the label, or on the box, to indicate the place of manufacture of the cigars. On the upper part of the box there is, of course, the factory notice required by the act of Congress, upon which appears the statement that the cigars are from factory No. 409, First district, New York. It is true the words "Pierce Ave., and Hamilton St., L. I. C.," when explained by the testimony, are the English names of streets in America, with an abbreviation of the city in which the streets are located. But an

ordinary consumer of a cheap cigar, such as are sold by both parties to this suit, would not have anything to show that the cigars were not made in Italy, unless he turned the box upside down. The cigars sell at retail at two cents apiece, and therefore would be consumed by a man of limited means and intelligence. The plaintiff explains that his use of the term "Italian Cigars" is not intended to convey the impression that the cigars are made in Italy, or that they are made of Italian tobacco. The tobacco, according to the evidence, is grown in Kentucky. The cigars, he says, are made according to the Italian process. One of the witnesses states that they used the name "Italian Cigars" to distinguish their cigars from Havana cigars and American cigars. It appears, also, that the government of Italy has an exclusive monopoly of tobacco and the tobacco industry in Italy and that there is some tobacco raised in Italy. Plaintiff does not disclose what the Italian process is in detail, but asserts that he is manufacturing his cigars according to the process used by the Italian government. He is doing in this country, therefore, what American citizens can not do in Italy.

Plaintiff insists that none of his consumers can be misled by his label, because his cigars are intended for the Italians living in this country, are consumed in this country by Italians alone, and that all Italians know that Kentucky tobacco is used by the Italian government in the manufacture of cigars, and that there are no cigars exported from Italy to this country. I am satisfied that the plaintiff should not be permitted to maintain this action. We have the fact hereinabove mentioned as to the citizenship and residence of the plaintiff and his associates. While residents of Italy, where they can not carry on the business they are now engaged in, they establish a factory in this country to cater to a particular class of people, and mark their wares in such a way as to deceive purchasers, who may or may not be of the class intended by them as the consumers of their product.

In 1881 Congress passed an act (Act March 3, 1881, c. 138, 21 Stat., 502 to authorize the registration of trade-marks and to protect the same, which extended only to owners of trade-marks who were domiciled in the United States, "or located in any foreign country which by treaty, convention or law affords simi-

lar privileges to the citizens of the United States." On June 1, 1882, the trade-mark declaration with Italy was signed, wherein it was recited that the contracting parties, "wishing to provide for the reciprocal protection of the marks for manufacture and trade, have agreed as follows: The citizens of each of the high contracting parties shall enjoy in the dominions and possessions of the other the same rights as belong to native citizens, or as are now granted or may hereafter be granted to the subjects or citizens of the most favored nation in everything relating to property in trade-marks and trade-labels." Act Feb. 20, 1905, c. 592, 33 Stat. at Large, 774 (U. S. Comp. St. Supp. 1911, p. 1459), authorizing the registration of trade-marks, contains provisions similar to those found in the act of 1881, *supra*. This is observed in Section one of said act. In Section four, which relates to the rights of foreign registrants, there is provision for the registration of trade-marks in this country by persons who have previously "filed in any foreign country, which by treaty, convention or law affords similar privileges to citizens of the United States." Indeed, in all the acts of Congress on the subject since the act of 1881, it seems that residents of foreign countries should have the right of protection for their trade-marks in the United States only where citizens of the United States could have protection for their trade-marks in the countries in which they were respectively citizens and residents.

In view, therefore, of the evidence in this case and of the legislation upon the subject, there seems to be no equity on the part of the plaintiff and his associates, citizens and residents as they are of Italy, to cause this court to restrain the defendant, who is a citizen of the United States, from the use of plaintiff's trade-mark. Nor does the lack of equity relate to the trade-mark alone, but also to the label upon which it is used, for the rights of a manufacturer to the enjoyment of both are the same. The definitions of a trade-mark are collected in Section 2 of Hopkins on Trade-Marks, note 3. The author of that work, however, has taken the several decisions and therefrom gives the following definition:

"A trade-mark is a distinctive name, word, mark, emblem, design, symbol or device used in lawful commerce to indicate or authenticate the

source from which has come, or through which has passed, the chattel upon or to which it is applied or fixed."

A label is usually much broader in its information than a mere trade-mark; but a label, to be the subject of litigation in a case of unfair competition or trade must "indicate or authenticate the source from which has come, or through which has passed, the chattel upon or to which it is applied or fixed."

There is another phase of this question, arising from the use of the flags upon the red building contained within the oval upon the label. The act of February 20, 1905, authorizing the registration of trade-marks, in Section 5, provides:

"That no mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade-mark * * * unless such mark * * * (b) consists of or comprises the flag or coat of arms or other insignia of the United States, or any simulation thereof, or of any state or municipality, or of any foreign nation," with other provisions not necessary to be considered.

That provision appears again in the act of 1907 (34 Stat. at Large, 1251), and is the law today, as it was before the trade-mark and label of the plaintiff was devised and used.

It has been seen that there were originally on the plaintiff's label a flag of the United States and two flags of Italy, or simulations thereof, on either side, and that since the obliteration of the flags of the United States, as above stated, there still remain the two flags of Italy. It is true, they are small as compared with the other features of the label; but it can not be said that the label does not comprise those Italian flags. Lexicographers state that the word "comprise" means "embrace" or "include." Under the law, therefore, the design of the label could not be registered as a trade-mark, because it comprises a flag of a foreign nation. If it could not be registered as a trade-mark for that reason, we see no reason why it should be protected as a label. The policy of the law, as indicated by the statutes above mentioned, recognizes the impropriety of using the flags of nations upon advertising matter, and the court is of the opinion that the policy of the law ought to be considered in this case as having more or less weight against any equity in favor of the plaintiff which may exist by reason of other considerations. Again, a wholly foreign label upon goods

manufactured in America from American natural products ought not to be encouraged in this country. It is true the plaintiff says that his goods are intended for the Italians in this country, and that the consumers will not be deceived; but a manufacturer of American goods is not entitled to protection in a court of equity for a label which would deceive any portion of the population of the United States. This is not a country made up of Italians and of people from other nations, but is composed of American people using the English language. To encourage home manufacturers for the people of one alone of the nationalities represented in the United States should not be required of a court of equity. Nothing should be encouraged which tends to foster divers national distinctions among those intending to become a part of the whole body of the people.

The conclusion, therefore, is that in spite of the unfair competition on the part of the defendant in the similarity of the trade-marks, labels, and packages, the plaintiff, for the reasons stated, has no standing in this court for the relief demanded. The bill must be dismissed at his costs.

[The opinion of the court with respect to the validity of the complainant's registration, based upon the provisions of the Trade-mark Law, and the Trade-mark Declaration with Italy, overlooks the amendment to the Trade-mark Law, approved May 4, 1906, and which became effective July 1, of the same year. This provides that any owner of a trade-mark who has a manufacturing establishment within the territory of the United States shall be accorded, so far as concerns registration and protection of trade-marks, used upon the products of such establishment, the same rights and privileges that are accorded to owners of trade-marks domiciled within the territory of the United States. The mark in question having been registered subsequent to the date when this act became effective, the decision of the court, in so far as it depends upon that point, is plainly erroneous.]

DIETSCH, *et al.* v. LOONEN.

(198 Fed. Rep., 410.)

Southern District of New York, Aug. 1, 1912.

TRADE-MARK—PRIORITY OF USE.

Upon the evidence, the defendant's priority over the complainant in the use of the name "Marguerite" as a trade-mark for tooth-brushes held to be established.

In Equity. On final hearing.

Joseph L. Levy, for complainants.

William L. Marshall, for defendant.

PLATT, District Judge.—The matters at issue upon the bill and answer were heard by me last April, when oral arguments were made by both counsel. There was much trouble about the record, and printed briefs were not at hand. I listened to the arguments with patience, and, after fixing a date for the sending of briefs and a revised record, came back to my own jurisdiction. Delay after delay has occurred, with my acquiescence, in carrying out the order made by me at the hearing. Now, it being an absolute necessity that I should take a rest, which ought to have been begun some time ago, I have obtained the briefs, records, and exhibits and am in a position to treat the litigants fairly.

This action was begun in July, 1907. Immediately thereafter a motion was made by complainants for an injunction *pendente lite*. This was heard by Judge Hough, who appears to have acted very kindly in the matter of granting of time for the presentation of affidavits, and had, as the record before me shows, pretty thorough information as to the facts upon which the complainants' claim of title rests. His reason for going into the matter so fully was that the fact that complainants owned a registered trade-mark put the burden upon the defendant to establish its contentions. He was satisfied that the burden was sustained, and that, on the testimony before him, the complainants could not carry their claim of title far enough back to be of avail to them against this defendant.

On the pleadings before me, the bill alleges the adoption of the name "Marguerite," applied to toothbrushes, "at least as early as 1883." The answer denies the material allegations of the bill, and sets up affirmatively the use of the mark by Gibson since 1885, challenges the title of complainants to the mark, and sets forth that the same has acquired a secondary meaning descriptive of the style of the brush upon which it is placed. The issue threshed out before Judge Hough on the affidavits was as to whether the complainants could follow their title back to 1883. Complainants' title depended upon the absolute ownership of the mark by Martin, after the failure of the firm of Willy Wallach, by

some derivative right other than bodily appropriation. Judge Hough could not discover in the affidavits any evidence which would warrant him in finding that Martin got the title from the firm of Willy Wallach in any other way than by adopting and using it without opposition. He found, therefore, that complainants' title could not be traced further back than about 1890, and, since defendant's use of the same was shown clearly to go back as far as 1888, the complainants had no right which could be enforced against the defendant.

Just a moment here for a passing word, which may or may not be relevant, according to the way in which it impresses the listener. The defendant and its predecessor have been since 1876 the sole agent in this country of Charles Loonen, of Paris, France, a manufacturer of toothbrushes on a very extensive scale. A few months prior to the filing of this bill Loonen had brought suit in this court against the present complainants to enjoin them against the infringement of certain trade-mark rights in toothbrushes. The bill filed by Loonen was demurred to, and the demurrer overruled, April 10, 1907, and the defendants ordered to answer within 20 days. The opening of actual hostilities upon the bill filed by Loonen, and the filing of the bill in this suit, together with the motion for preliminary injunction, happen to be almost coincident in time. That is, at least, a curious thing, and particularly so when we remember that the complainants herein failed so disastrously before Judge Hough, and add that as defendants in the Loonen suit the failure seems to have been equally disastrous. *Loonen v. Deitsch* (C. C.), 189 Fed., 487.

Let us come back from this side excursion to the matter in hand. I have studied the record in this case with care, aided by notes taken at the oral hearing, and by the briefs now at hand from both counsel. I am unable to discover that the facts bearing upon the complainants' title have been in any way made better for the complainants. It seems, upon the final proofs, that the lack of title back of 1890 is more clearly shown than it was on the affidavits. In addition to that, defendant has established, with reasonable certainty, priority of use.

I have no time to discuss the question of the descriptive character of the word claimed as a trade-mark, or the laches of

complainants. I have said enough to indicate that it is my conclusion that the bill should be dismissed, with costs.

COMMISSIONER OF PATENTS

PATERSON v. HAY.

(183 O. G., 1307.)

July 2, 1912.

TRADE-MARKS—USE INSUFFICIENT TO ESTABLISH TRADE-MARK RIGHT.

Where it appeared that an applicant for the registration of a mark for a liquid binding agent for roads and pavements had used the mark only upon a small number of gallon cans of the solution which were shipped as samples, this use is not such that any trade-mark right can be based thereupon.

Messrs. Baldwin & Wight, for Paterson.

Mr. Woodhull Hay, for Hay.

MOORE, Commissioner.—This is an appeal by Hay, the applicant, from a decision of the Examiner of Interferences sustaining the opposition filed by Paterson to the registration by Hay of the word "Rocmac" as a trade-mark for a liquid adhesive binding agent for roads, pavements, etc., and adjudging that Hay is not entitled to the registration for which he has made application.

The Examiner of Interferences found that Paterson had shown such an interest in the trade-mark that he would be damaged by its registration by another and that the applicant had made no such use of the mark as would entitle him to registration of the same.

It is to be noted that Paterson's right to register the mark is not in issue, but only the right of Hay to register the same.

The testimony in a large part relates to alleged contractual relations between Thomas A. Hay, the applicant, his brother, James Hay, Paterson, the opposer, and one Norman Fisher in the exploitation of a road-making solution to be used in making roads in accordance with Patent No. 808,339, issued to one Butterfield, and in the exploitation of this patent. It is not thought necessary to

review this testimony in full. It is sufficient to say that it establishes that some time in the early part of 1910 negotiations were entered into between these parties, or at least between Paterson and the two Hays, as the result of which James Hay provided facilities for making the solution at his woodworking factory at Woodstock, Ontario, and that in the summer and fall of 1910 experimental roads were constructed at Woodstock, Niagara Falls, and Port Arthur, in the Province of Ontario, Canada, and at Coldwater, near Rochester, N. Y.

Hay, the applicant, claims that the four parties above named were to share in the profits arising from the exploitation of this road-making solution; that not until October, 1910, was it decided to call the solution "Rocmac," and that it was agreed that he, being a citizen of the United States, was to apply for the trade-mark for the benefit of all the parties. It appears, however, that the New York State Department of Highways had in May, 1910, agreed to build an experimental section of road at Coldwater under the direction of Paterson and one Heathcote, whom Paterson had brought over from England. The solution for this road was made at the plant of James Hay and shipped to Coldwater in barrels, the first shipment being made in June, 1910, and the second in July of that year. No charge was made for the first shipment; but the Department of Highways paid Paterson for the second shipment.

According to Paterson's testimony, the barrels at Coldwater were branded with the word "Rocmac." His testimony on this point is corroborated by that of Giles, who was the timekeeper at Coldwater, and Taccone, who was the foreman of the laborers. Each of these witnesses testifies that the barrels containing the solution were marked with the word "Rocmac" in a manner similar to that shown on the barrel-head introduced in evidence as "Paterson's Exhibit No. 10." James Hay testifies that the barrels were not stenciled with the word "Rocmac" when shipped from Woodstock, and the testimony of Thomas A. Hay is to the same effect. Thomas A. Hay testifies that he examined the road at Coldwater during its construction and that the barrels which were lying on the side of the road were not branded with the word "Rocmac." His testimony is weakened, however, by his ad-

mission on cross-examination that on his second visit to Coldwater he examined the barrels only in a careless manner. Paterson further testifies that he is engaged in the manufacture of the liquid solution at a plant at Tonawanda, N. Y., and his testimony on this point is corroborated by that of Keefer.

According to the testimony of the applicant himself, he made no use of the trade-mark except on certain samples thereof, which were shipped by him to New York in October, 1910. These samples consisted of gallon cans of the solution, of which about twenty were shipped. It is obvious that a gallon of this solution would be of no use in road-building, and, as pointed out by the Examiner of Interferences, the applicant's testimony shows that the shipment of these samples was mainly, if not entirely, for the purpose of laying a basis for the filing of the application.

It is to be noted that while the application alleges use not only upon a road-making solution, but upon concrete road-beds, pavements, sidewalks, and the like, and states that the trade-mark is applied to the goods by affixing to the container a printed label upon which the trade-mark is shown and by affixing to the road-beds, pavements, etc., plates bearing the trade-mark, applicant admits in his testimony that no road-beds or pavements were ever made and that the trade-mark was never used by him except, as stated above, by placing labels on the sample cans.

It is not necessary to decide whether Paterson has established a use of the mark prior to the shipment of the sample cans by the applicant. He has, as held by the Examiner of Interferences, established such an interest in the mark as would justify the conclusion that he would be damaged by its registration by the applicant. The use which the applicant is shown to have made of the mark is in my opinion not such that any trade-mark right can be based thereon. The opposition was therefore properly sustained.

The decision of the Examiner of Interferences is affirmed, and it is held that Thomas A. Hay is not entitled to the registration for which he has made application.

HOLT & CO. V. KANSAS MILLING & EXPORT CO.

(184 O. G., 286.)

April 23, 1912.

1. TRADE-MARKS—SIMILARITY—FEATURES TO BE CONSIDERED.

In considering the question of similarity of trade-marks three features must be considered; *first*, the appearance of the words; *second*, the sound of the words when spoken; *third*, the significance or meaning of those words.

2. CONFLICTING MARKS—"NOBLESSE" AND "NOBILITY."

Registration of the word "Nobility" as a trade-mark held properly refused in view of the prior use by another of the word "Noblesse" as applied to the same goods.

Mr. Fred H. Bowersock, for Kansas Milling & Export Co.

Messrs. Stewart & Stewart, for Holt & Company.

BILLINGS, First Assistant Commissioner.—This is an appeal by the Kansas Milling & Export Co. from a decision of the Examiner of Interferences sustaining the opposition by Holt & Company and adjudging that appellant is not entitled to register the trade-mark for which it has made application.

It appears from the record that the Kansas Milling & Export Co., the appellant, filed an application for the registration of the word "Nobility" as a trade-mark for wheat-flour.

An opposition to this registration was filed by Holt & Co. on the ground that the registration of this mark to the appellant would injure them, inasmuch as they were the owners and users of the word "Noblesse" as a trade-mark for wheat-flour.

The case is submitted upon a stipulated statement of facts, which stipulation is as follows:

That the opponent Holt & Company has since the year 1881 continuously used the word "Noblesse" as a trade-mark for wheat flour and did register the said trade-mark "Noblesse" for wheat flour in the United States Patent Office under date of October 14, 1884, Number 11,750, are admitted to be true, and shall be taken and considered with the same force and effect as though duly proven in this cause by the testimony of competent and sufficient witnesses; that in like manner it is admitted and with like force and effect is to be taken and considered as proven that the Kansas Milling and Export Co. has used the word "Nobility" as a trade-mark for wheat flour since the date of use claimed in its application, to wit, since the 9th day of December, 1901.

It therefore appears that Holt & Co. adopted and has used continuously the word "Noblesse" as a trade-mark for wheat-

flour for a period of twenty years prior to the adoption and use by the appellant of the word "Nobility" as its trade-mark for wheat-flour.

Not only does the French word "Noblesse" when translated into English mean "nobility" or "nobleness," but, as appears from the *Century Dictionary*, the two words belong to the English language and are synonymous.

Two questions are urged for consideration and decision in this case—first, whether a party who has adopted and used an arbitrary word as a trade-mark is entitled to use the same word when translated into foreign languages and, second, whether in this particular case the words "Noblesse" and "Nobility" when applied to merchandise of the same descriptive properties resemble each other so closely as to be—

likely to cause confusion or mistake in the mind of the public or to deceive purchasers. (Sec. 5, Trade-Mark Act.)

Reference has been made by the appellee to the rulings in *ex parte, Grocers Specialty Manufacturing Company Ltd.*, (102 O. G., 465), wherein it was held that the words "Le Bon" were not registrable as a trade-mark, inasmuch as those words were the French translation of the English word "good." It was held that a foreign word was no less descriptive than the corresponding word selected from the English language.

In the case of *Dadirrian v. Yacubian* (72 Fed. Rep., 1010), the circuit court for the northern district of Illinois held that the word "Matzoon" used as a trade-mark for an article of food made of fermented milk did not constitute a valid trade-mark, since it was the word applied to that article of food in a foreign country.

In the case of *Roncoroni v. Gross* (86 N. Y. Supp., 1112; 92 App. Div., 22), it was held that the words "Conserva Di Tomate" were not a valid trade-mark as applied to "preserved tomato," being merely the Italian for "preserved tomato."

In considering the question of infringement of trade-marks two main questions are presented for determination—first, whether the marks are applied "to merchandise of the same de-

scriptive properties" and, second, whether the respective words or symbols "so nearly resemble" each other—

as to be likely to cause confusion or mistake in the mind of the public, or to deceive purchasers.

There is no dispute in this case as to the similarity of goods. Where arbitrary words are used as the trade-mark, three features must be considered—first, the appearance of the words; second, the sound of the words when spoken, and, third, the significance or meaning of those words. It may very well be that an arbitrary word selected from the English language might when translated into a foreign language have as a result of this translation no similarity in sound and no similarity in appearance; yet it is evident that the significance or meaning of the words is the same.

The courts have indicated that the meaning or significance of the words used is a pertinent inquiry in determining the question of infringement. In the case of the *National Biscuit Co. v. Baker, et al.*, (95 Fed. Rep., 135), Circuit Judge Lacombe held that the word "Iwanta" was an infringement of the word "Uneeda" when used as a trade-mark for biscuits, and as a reason for this holding the court said:

And both express the same idea, namely that the prospective purchaser's personal comfort would be promoted by the acquisition of a biscuit.

In the present case the word "Noblesse" means "nobility." The word "public" in the phrase—

as to be likely to cause confusion or mistake in the mind of the public (Sec. 5, Trade-Mark Act)—

should not be construed to necessarily mean "the entire public." The proper construction to be given this word in the statute is that it includes only a substantial or distinct part of the purchasing public. Judicial notice is taken of the fact that many citizens of the United States are conversant with the French language. It is not difficult to conclude therefrom that there are many members of the purchasing public who would be deceived should the same goods be displayed for sale in packages which bore, respectively, the word "Noblesse" and "Nobility," for the

reason that the two words have the same meaning or significance.

Considering merely the question of similarity of these two words to the eye and the ear, irrespective of any meaning which they may have, it is clear also that they—

so nearly resemble each other as to be likely to cause confusion in the mind of the public, or to deceive purchasers.

It follows, therefore, inasmuch as the word "Noblesse" has been used continuously by Holt & Co. since the year 1881 and the word "Nobility" has been used continuously by the Kansas Milling & Export Co. only since the year 1901, which is twenty years after the date of adoption and use by the opponent, and that the two words not only sound alike but look alike and have the same meaning, the opposition of Holt & Co. is well taken and it is sustained. It is held that the Kansas Milling & Export Co. has no right to register the mark for which it made application in view of the opposition filed against its application for registration.

The decision of the Examiner of Interferences is affirmed.

EX PARTE, GOODRICH DRUG CO.

(183 O. G., 783.)

May 28, 1912.

1. GOODS OF THE SAME DESCRIPTIVE PROPERTIES.

Soap and shampoo preparations constitute goods of the same descriptive properties as laundry soap.

2. CONFLICTING MARKS.

The marks "Velvet" and "Velvetina" are so similar that their use upon goods of the same descriptive properties would be likely to cause confusion in the mind of the public and deceive purchasers.

Mr. Charles E. Foster and *Mr. Delbert H. Decker*, for the applicant.

BILLINGS, First Assistant Commissioner.—This is an appeal from the action of the Examiner of Trade-Marks in refusing to register the word "Velvetina" as a trade-mark for soap and saponified shampoo preparations.

Registration was refused in view of the following: Uriah

G. Beck, January 14, 1896, No. 27,641; William J. Anderson, April 11, 1899, No. 32,705; The Procter & Gamble Company, September 15, 1908, No. 70,580; The Procter & Gamble Company, September 29, 1908, No. 70,767.

The registrations of Beck and Anderson were subsequently withdrawn as references; but in his statement in answer to the appeal the Examiner says that the Beck mark was inadvertently withdrawn and is regarded as a valid reference. This holding appears to have been made through a misapprehension. In the paper filed June 3, 1911, applicant stated that the trade-mark "Velvetine," shown in the Beck registration, No. 27,641, was the property of the applicant and that an assignment from the registrant to the applicant is on record in this Office. The assignment records show that this statement is correct, and the action of the Examiner withdrawing this registration as a reference was right.

The two remaining registrations of the Procter & Gamble Company show the word "Velvet" in connection with other matter, the word "Velvet," however, being the prominent feature. The goods are stated to be soap for laundry use. All soaps constitute goods of the same descriptive properties. It is a well-known fact that many soaps are used both as laundry and toilet soaps. It is believed that the word "Velvetina" so nearly resembles the word "Velvet" as to fall within the prohibition of the Trade-Mark Act against registration of a mark so nearly resembling a prior registered mark that it would be likely to cause confusion in the mind of the public and deceive purchasers.

The decision of the Examiner of Trade-Marks is affirmed.

EX PARTE, THE UTRECHT EXPORT CY. GRIENDT BROTHERS, LTD.

(183 O. G., 784.)

September 17, 1912.

I. GOODS OF THE SAME DESCRIPTIVE PROPERTIES—BUTTER AND ARTIFICIAL BUTTER."

Butter and artificial butter or "oleomargarin" are goods of the same descriptive properties within the meaning of the trade-mark law.

2. CONFLICTING MARKS.

A mark consisting of the representation of a horse grazing was properly refused registration in view of a registered mark consisting of the word "Pony" and the representation of the head of a pony or horse applied to goods of the same descriptive properties.

Messrs. Gravenhorst & Co. and Messrs. Goepel & Goepel,
for the applicant.

TENNANT, Assistant Commissioner.—This is an appeal from the action of the Examiner of Trade-Marks refusing registration of a trade-mark comprising the representation of a horse grazing, as applied to artificial butter. Registration is refused in view of the registered trade-mark to Borden's Condensed Milk Company, No. 35,600, December 18, 1900, which consists of the word "Pony," accompanied by the representation of the head of a pony or horse, for "milk, condensed milk, cream, evaporated cream, butter, and cheese."

It is contended in behalf of appellant that butter and artificial butter or "oleomargarin" or "margarin" are not goods of the same descriptive properties and, further, that there is no such similarity between the marks as would be likely to cause confusion in the mind of the public.

As to the contention that butter and artificial butter or "oleomargarin" or "margarin" are goods of different descriptive properties it is sufficient to say that this question has been discussed in the decision of *John F. Jelke v. Emil Fleischl & Son*, (176 O. G., 274), and no reason is found for departing from the ruling therein that butter and oleomargarin must be considered of the same descriptive properties so far as the registration of trade-marks is concerned.

While the appearance of the trade-mark of the appellant and that of the registrant is different, it is believed that they have the same general significance and that the "Pony Brand" would aptly describe the appellant's mark, since the representation of a pony or horse is the most prominent feature of the mark. Where, as in the present case, the trade-mark has been for many years registered for a staple commodity, as butter, it is believed that care should be taken to prevent the registration of a mark for a similar but artificial commodity which would in any way be likely

to be mistaken for the registrant's mark, in order that the public may not be deceived into purchasing the artificial merchandise for the real product, as well as to avoid any possibility of the registrant being damaged by the substitution of an artificial product for that upon which he uses his mark.

I am clearly of the opinion that the action of the Examiner of Trade-Marks, refusing registration of appellant's mark is right, and it is accordingly affirmed.

EX PARTE, ELLIOTT JEWELRY CO.

(183 O. G., 1035.)

September 10, 1912.

CONFLICTING MARKS—"E Co." AND "E. J. Co."

A mark consisting of the letters "E Co.," the last two letters being placed between the extended upper and lower arms of the first, is so similar to a mark consisting of the letters "E. J. Co." that their simultaneous use upon goods of the same descriptive properties would be likely to cause confusion.

Mr. Watson E. Coleman, for the applicant.

TENNANT, Acting Commissioner.—This is an appeal from the action of the Examiner of Trade-Marks refusing to register as a trade-mark for jewelry a mark consisting of the letters "E Co.," the last two letters being placed between the extended upper and lower arms of the first.

Registration was refused in view of the registered mark consisting of the letters "E. J. Co.," registered November 1, 1910, by the Enterprise Jewelry Company, No. 80,045.

The marks are believed to be so similar that registration was properly refused. In the case of *Godillot v. American Grocery Co.* (71 Fed. Rep., 873), the letters "A G" combined in a monogram were held to be infringed by the mark consisting of the letters "A. G. Co." In the case of the *American Tin Plate Co. v. Licking Roller Mill Co.* (158 Fed. Rep., 690), a mark consisting of the letters "M F" in a monogram inclosed within a circle was held to be infringed by a mark consisting of the letters "M. F. H."

It is to be noted that the date of use of the mark given in the statement in this application is subsequent to the decision refusing to register a mark of the present applicant consisting of the letters "E. J. Co." arranged as is the present mark, in view of the registration of the Enterprise Jewelry Co. of record in this case. (*Ex parte, Elliott Jewelry Co.*, 177 O. G., 242.) Such attempts to differentiate from registered and well-known marks are not looked upon with favor by the courts. (*Florence Manufacturing Co. v. J. C. Dowd & Co.*, 178 Fed. Rep., 73; *The Capewell Horse Nail Co. v. Vreen*, 188 Fed. Rep., 20.)

The decision of the Examiner of Trade-Marks is affirmed.

[*Cf. Ex parte, Elliott Jewelry Co.*, Reporter, Vol. 2, p. 172.]

DIGEST OF MANUSCRIPT DECISIONS.

Description of Goods.

The term "canned fowl" is sufficiently definite as a description of the applicant's goods under the statute. Not so, however, of the term "canned meat" which would include both cured and fresh meats and these should be more specifically designated.⁽¹⁾

Deceptive Use of Mark.

A label bearing the original name of the manufacturer, the predecessor of the applicant, under which name the factory is still known, is not deceptive, merely because it does not show the name of the present owner as the manufacturer. The mere unexplained use of the name of a predecessor is not enough to bar relief in equity, nor to cause refusal of registration. These particulars apply to the following registrations; the word "Sylvan," under the name of the Empire Refining Co.; "Calcium Light Oil" from Pratt Works, New York; "White Rose," Stone & Fleming Works; "Luz del Hogar" from the Empire Refining Co. (2)

Conflicting Marks.

A mark consisting of a rectangular figure with cross lines,

(1) *Ex parte, Franklin MacVeagh & Co.*, June 24, 1912.

(2) *Ex parte, Standard Oil Co. of New York*, January 9, 1912.

and with a lion on each side, does not conflict with another, consisting of the same rectangular figure and the words "Strong Hair." In the first mark, the applicant makes use of the words "Lion Brand" and the second would cause the goods to be known as the "Strong Hair Brand," and such the testimony shows to be the case. The decision of the district court of appeals in the *Carmel Wine Co. v. California Winery*, that one man's mark may not be made a part of another's, does not apply, because in this case the feature appropriated in the second mark is so used as not to cause any probability of confusion. ⁽¹⁾

The word "King" was not properly refused registration, by reason of the prior registration of the mark "Shen-king," No. 44,469.

"The argument is made that the word 'Shen-king' should be considered in its entirety, and when so considered it would appear to have a Chinese derivation. Counsel at the hearing stated that he made a test by asking adult members of his family if they desired to purchase goods with the trade-mark 'King,' whether they would be likely to purchase some similar goods bearing the trade-mark 'Shen-king.' The answer was that they would not be confused and that they would expect to find the paper bearing the trade-mark 'Shen-king' to be either paper imported from China or paper manufactured in imitation of that well-known article. I have put the test to several of the employees in this office, and the majority immediately said that no confusion would result in their minds by the concurrent use of the two marks in question. On the whole, therefore, I am inclined to believe that the mark presented by appellant is entitled to registration, notwithstanding the previous registration cited by the examiner" (*Billings, Assistant Commissioner*).⁽²⁾

A mark consisting of the words "Southern Belle" and the head of a woman, was refused registration because of a prior registration, No. 32,948, consisting of the head of a woman and the words "La Belle." These are so similar as to be likely to cause confusion. ⁽³⁾

"Crisco" refused registration because of the registration of "Crispett" by Schwartzchild, Sulzberger Co. Held that they are so nearly alike as to be likely to be confused. ⁽⁴⁾

A trade-mark for shovels, spades and scoops, consisting of the letters "W B" inclosed in a rectangle and pierced by an arrow,

(1) *S. Oppenheimer & Levy v. Steiner, Rosenstein & Traub*, January 5, 1912.

(2) *Ex parte, J. C. Blair & Co.*, January 13, 1912.

(3) *Ex parte, Illinois Canning Co.*, February 9, 1912.

(4) *Ex parte, Procter & Gamble Co.*, February 17, 1912.

was rejected because of the prior registration of a mark, consisting of the letters "W & B" inclosed in a diamond, No. 30,874, Whitman & Barnes Mfg. Co. It appears that the application was for the re-registration of a mark first registered in the patent office in 1881, prior to the registration of the mark now alleged to conflict. The record showed that the application of Whitman & Barnes was first rejected on the previous registration of Oliver Ames & Son, but this reference was withdrawn after arguing. In view of this adjudication and the fact that both parties had now contended that there was no conflict, it was held that the registration should not at this time be refused. ⁽¹⁾

An application to register the words "The Hump" and other features, for hairpins, was opposed by the De Long Hook & Eye Co., who alleged the use of the word "Hump" as a trade-mark for hooks and eyes since 1891, and claimed that since 1894 they had also made hairpins under the trade-mark "Cupid," and that the use of the "Hump" trade-mark by anyone else, for hairpins, would cause those hairpins to be taken as the manufacture of the opponent. The applicant claimed that the name was first used by the opponent in connection with goods made under a patent which expired in 1906, and thereupon the word "Hump" became public property; but the commissioner says the question is not one of exclusive right to the use of the mark. Any right to its use is enough to sustain an opposition, and it appears that the mark has been registered by the opponent under the Nos. 20,994, 20,995, 45,877 and 55,056. Hooks and eyes and hairpins are commonly made by the same manufacturers, handled by the same dealers and exposed for sale together, and mostly bought by the same purchasers. They must, therefore, be regarded as goods of the same descriptive properties under the trade-mark law. It is not necessary to constitute a conflict of rights that goods related to each other so nearly, be mistaken one for the other. (*American Tobacco Co. v. Polacsek*, 171 Fed. Rep., 117; *Church, Dwight & Co. v. Russ*, 99 Fed. Rep., 276; *Florence Mfg. Co. v. J. C. Davis & Co.*, 178 Fed. Rep., 73; *Baker v. Harrison*, 138 O. G., 770; *Collins v. Oliver Ames & Co.*, 18 Fed. Rep., 561; *Phoenix Paint*

(1) Ex parte, Ames Shovel & Tool Co., February 29, 1912.

& Varnish Co. v. Lewis Bros., 139 O. G., 990; Muralo Co. v. National Lead Co., 165 O. G., 475; Johnson Educator Food Co. v. Smith & Co., 175 O. G., 268; Layton Pure Food Co. v. Church & Dwight Co., 182 Fed. Rep., 35; John F. Jelke Co. v. Fleischer & Son, 176 O. G., 274; American Stove Co. v. Detroit Stove Works, 174 O. G., 2245.) ⁽¹⁾

Application to register the trade-mark "Sulphurro" for a medicinal preparation was rejected because of prior registrations as follows: No. 13,347 "Sulphozone"; No. 15,986 "Sulfonal"; No. 56,655 "Sulfosol"; No. 68,237 "Sulphorine." The decision of the Examiner was affirmed, it being held that the last, especially, bore a close resemblance to the mark applied for. ⁽²⁾

The trade-mark "Beerette" is so similar to a previously registered mark, consisting of the word "Beerine," as to be likely to cause confusion. Moreover, when the goods to which it is applied are advertised as non-intoxicating, containing one-half of one per cent of alcohol, when as a matter of fact, they contain 2.95 per cent of alcohol, the use of the mark is so fraudulent that registration should be refused. ⁽³⁾

The trade-mark "Gin Gera" for syrup to be used in making soda water, was properly rejected because of the prior registration of the mark "Ginger-Olo," No. 71,956 for non-alcoholic ginger beverage. The marks are very liable to confusion, especially in sound. ⁽⁴⁾

The word "Velvetine" so nearly resembles the word "Velvet" for soap as to be likely to cause confusion and deception of purchasers. ⁽⁵⁾

Goods of Same Descriptive Properties.

Rubber tires and automobiles are not goods of the same descriptive properties. They are respectively included in Class 35 and Class 19. They are not necessarily made by the same

(1) De Long Hook & Eye Co. v. Hump Hairpin Co., March 28, 1912.

(2) Ex parte, C. M. C. Stewart Sulphur Co., April 26, 1912.

(3) Gerst v. Strehlow, April 29, 1912.

(4) Ex parte, Frank B. Howard, May 10, 1912.

(5) Ex parte, Goodrich Drug Co., May 28, 1912.

manufacturer. The goods are readily distinguishable and unlike in all essential particulars. The fact that the tires are part of an automobile is no authority for a different ruling. An opposition based upon alleged conflict arising out of the similarity of marks for these different goods, should be dismissed. ⁽¹⁾

Interference. Abandonment of Application.

In an interference between an application and a previously registered mark, the applicant may be permitted, on the consent of all parties, to withdraw and abandon his application. The office will not insist on the rendering of the judgment, if the parties do not. Interference dissolved on stipulation and application returned to examiner of trade-marks to enter an abandonment thereof. (See *Perfect Safety Co. v. Geo. Lamonte & Son*, 129 O. G., 869.) ⁽²⁾

Interference. Re-opening.

Petition to vacate the decision of January 9, 1912, (Reporter, Vol. 2, p. 213), and re-open the interference for the purpose of putting in a formal abandonment by Schweinburg of the mark, and for judgment for Madame Irene. In the former case, abandonment was not proved, but is now proven by the formal admission of Schweinburg. The petition was granted and abandonment filed, and judgment entered for Madame Irene. ⁽³⁾

Opposition. Effect of Dismissal.

The dismissal of an opposition because the notice is not filed within the thirty-day period is no adjudication on the right to cancel the mark to be registered. ⁽⁴⁾

(1) *G. & J. Tire Co. v. G. & J. Motorcar Co.*, June 7, 1912.

(2) *J. Allen Smith & Co. v. Whaley Milling & Elevator Co., etc.*, January 5, 1912.

(3) *Madame Irene v. Schweinburg*, February 23, 1912.

(4) *Indianapolis Brush & Broom Mfg. Co. v. Joseph Lang Co.*, July 1, 1912.

Opposition. Demurrer.

The failure of applicant to answer a notice of opposition after his demurrer is overruled, does not cut off his right to appeal, but merely confines the appeal to the question of whether the facts alleged in the notice of opposition are enough to support the judgment of the Office. There is no appeal from the decision overruling a demurrer (*Drevet Mfg. Co. vs. Liquozone Co.*, 122 O. G., 3014), but if the party elects to stand on his demurrer, he may permit final judgment to be taken and appeal from that judgment. (*Same case*, 130 O. G., 977.) ⁽¹⁾

The practice of filing a general demurrer to a notice of opposition and then substituting a specific demurrer a few days before the hearing, can not be too strongly condemned. The grounds relied on to sustain a demurrer should be specifically set forth therein. A motion to file a specific demurrer held to have been properly denied. ⁽²⁾

Right to Renew Registration.

The word "Sylvan" and an arrow head, for refined petroleum, was refused registration because of the registration of the Sylvan Mfg. Co., No. 42,533, and also because deceptive. The application was one for the renewal of trade-mark No. 8,432 and it was contended that under Section 12 of the law, the applicant was entitled to renewal of the mark, without examination. But the law provides that the registrations made under the law of 1881 shall be renewed "on the same terms"; that is, on the same terms as at the time of the original registration and subject to examination. The section provides that marks renewed under this law have the same force and effect as if originally registered under the present act. If, as applicant says, the mark should be renewed without examination, a mark not registrable under the present law might, nevertheless, get the benefit of registration. For example, a flag or coat of arms is not registrable, but was regis-

(1) *G. & J. Tire Co. v. G. J. G. Motorcar Co.*, June 7, 1912.

(2) *Sheffield Farms Slawson-Decker Co. v. Fairfield Dairy Co.*, April 24, 1912.

trable under the law of 1881, and so might be renewed. This is not the law, but in the case of a renewal of registration all reasonable doubt should be resolved in favor of the registrant. The registration of the Sylvan Mfg. Co. was for an unctuous mixture to protect metal, and was probably passed upon the theory that the goods were not of the same descriptive properties as that for which the mark was previously registered. The reference should therefore be withdrawn and the mark registered. (1)

(1) Ex parte, Standard Oil Co. of New York, January 9, 1912.

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UNITED STATES CIRCUIT COURT OF APPEALS

RUSHMORE v. BADGER BRASS MFG. CO.

(198 Fed. Rep., 379.)

Second Circuit, May 31, 1912.

1. UNFAIR COMPETITION—IMITATING APPEARANCE OF GOODS.

When it appears that a competitor has unnecessarily and knowingly imitated his rival's goods in non-functional features, a court of equity is justified in interfering.

2. UNFAIR COMPETITION—ACCOUNTING.

Accounting under a decree for unfair competition in imitating the appearance of complainant's lamps, held to be properly limited to sales where it could be shown, directly or presumptively, that the complainant would have sold the lamps but for the sales by defendant.

Appeal from a decree of the United States circuit court for the southern district of New York in favor of complainant and directing an injunction and an accounting.

Offield, Towle, Graves & Offield and Philip B. Adams (Charles K. Offield and Albert H. Graves, of counsel), for appellant.

Alfred Wilkinson, for appellee.

Before COXE, WARD, and NOYES, Circuit Judges.

PER CURIAM.—We have examined the record with care to ascertain if there is any testimony which distinguishes this case from *Rushmore v. Manhattan Screw & Stamping Works*, 163 Fed., 939, 90 C. C. A., 299, 19 L. R. A. (N. S.), 269, and *Rushmore v. Saxon*, 170 Fed., 1021, 95 C. C. A., 671.

In the Manhattan case the circuit court found:

"That the shape, appearance, external attachments, and general dress of the Rushmore lamp are not functional and are not elements of mechanical construction essential to the successful practical operation of the lamp as a lamp."

We agreed with this finding, and because of it affirmed the order, stating, however, that the conclusion carried the doctrine of unfair competition to its utmost limit. We think the doctrine should not be further extended, but there is no occasion for extending it so far as the case at bar is concerned. In all essential particulars, the facts are the same.

Slight differences exist between the defendant's lamps and those of the complainant, but these differences are unimportant and are no more pronounced than in the cases above referred to. The ordinary purchaser of an automobile is often ignorant of the actual merits and value of the articles he purchases and is influenced largely by general appearance rather than details of construction. He sees a speedometer, a lamp, a clock, or some other of the numerous motor car attachments, which is pleasing to the eye, and, having ascertained the name of its maker, resolves to have it on his car. If the general appearance be the same, he does not examine further, and is entirely satisfied that the device he buys is what he intended to buy. This is true of the careless, credulous, and ignorant purchasers, who are certainly as numerous in this as in any other field of business, and depend largely upon the statements of local dealers and the chauffeurs who drive their cars.

An expert and probably a great majority of automobile purchasers could not be deceived into taking the defendant's lamp, in evidence, for the Rushmore lamp, but the ignorant or careless purchaser looking to general effect, and not to what seems to him to be inconsequential details, would, very likely, be misled. Such

simulations place in the hands of dishonest dealers and agents the materials for misleading and cheating the public. It is unnecessary to dwell on these considerations as they have been stated many times by this court and need not be repeated. When it appears that a competitor has unnecessarily and knowingly imitated his rival's goods in non-functional features, a court of equity is justified in interfering. Further than this we do not intend to extend the doctrine.

The defendant asks that it be relieved from an accounting, or, at least, that the accounting be limited to the damages actually sustained and proved by the complainant. We are inclined to think that the latter request is reasonable and should be granted.

The defendant's brief states that it appeared at the hearing in the circuit court that the defendant "had long ceased making or selling any of the type of lamps in issue." The testimony that the defendant, or its agents, attempted to palm off its lamps as Rushmore lamps, is unsatisfactory and unconvincing.

We are also convinced that the great majority of the defendant's lamps were sold on their merits and on the established reputation of the defendants, without any reference to the complainant's lamps. To award the entire profits made on the sales of defendant's lamps without proof of actual fraud on its part would be inequitable. An accounting covering the entire field of the defendant's sales would involve both parties in a long and expensive examination unwarranted by the probable results. It seems to us unfair that the complainant should recover profits on the sale of lamps by the defendant to persons who never heard of Rushmore, and were well aware that the lamps they bought were made by the defendant, and who bought them because they were so made. A decree for profits and damages does not necessarily follow a decree for an injunction.

In *Ludington Novelty Co. v. Leonard*, 127 Fed., 155, 62 C. C. A., 269, this court said:

"We see no reason to differ with the circuit court in its refusal to order an accounting. If we could discover any theory upon which a substantial recovery might be had, we would not hesitate to direct a reference, but it is plain that such a proceeding will prove abortive after subjecting both parties to large additional expense and the defendants to unnecessary annoyances. The master would be involved in an inextricable

tangle from which it will be impossible to emerge with a substantial recovery based upon a rational rule of damages. The boards sold by the defendants and which they had a right to sell were intended to be used in connection with a large number of games in the description of some of which the word 'Carrom' might, in certain aspects, be used innocently. An attempt to segregate the profits, if any, resulting from the illegitimate use of the word would require an excursion into the realms of conjecture and speculation without hope of any tangible result."

See also, *Fairbank Co. v. Windsor*, 124 Fed., 200, 61 C. C. A., 233.

We think the accounting should be limited to sales where it is shown by direct or presumptive evidence that the complainant would have sold the lamps but for the sale by the defendant.

As so modified, the decree should be affirmed, with costs.

[The circuit court of appeals for the third circuit has lately declared the rule to be that an accounting in suits for unfair competition should extend to all sales made under the conditions of unfair competition as established by the decree (*J. F. Rowley Co. v. Rowley*, Reporter, Vol. 2, p. 261; 193 Fed Rep., 390). This is in accord with the decision in the sixth circuit (*G. & C. Merriam Co. v. Saalfeld*, 198 Fed. Rep., 360; Reporter, Vol 2, p. 443). The qualifications upon this rule are by no means clear. The courts appear to be largely influenced by the substantial equities of the particular case (*Rowley v. Rowley*, *supra*; *Wolf Bros. Co. v. Hamilton-Brown Shoe Co.*, Reporter, Vol. 2, p. 62).]

UNITED STATES CIRCUIT COURT

CHICKERING & SONS v. CHICKERING, *et al.*

(198 Fed. Rep., 958.)

Northern District of Illinois, Dec. 28, 1911.

UNFAIR COMPETITION—INJUNCTION.

Construction of an order enjoining unfair competition in the use of the name "Chickering" for pianos.

In Equity. On motion to define and enlarge injunction order.

Holt, Wheeler & Sidley, for complainants.

Rector, Hibben, Davis & Macauley (*Edward Rector*, of counsel), for defendants.

KOHLSAAT, Circuit Judge.—Complainants move the court to decree that the injunctive order of the court, heretofore en-

tered, be extended to and made binding upon the defendant to the supplemental bill herein. This relief is proper, and it will be so ordered.

Complainants further move the court to define and, if necessary, enlarge the injunction, so as to give complainants the effective protection which they claim the order was intended to afford. Defendants oppose this latter motion upon the grounds: (1) Because complainants come into court with unclean hands, in that they have made and are making false representations, to the effect that their piano is still being made by Chickering & Sons and Messrs. Chickering & Sons; (2) because the motion amounts to an attempt to retry the application for the original injunction and broaden same; (3) in the face of the intimation of the court of appeals that the order was too broad; and (4) the further fact that the cause is practically ready for final hearing; (5) and the holding of certain supreme court decisions rendered since the entry of the injunctive order; (6) and because the construction asked is inconsistent with the terms of the injunctive order; and (7) because defendants have been pursuing their present course unmolested for more than nine years; and (8) because this is attempted with a view to injure defendant in advance of a final decree.

The court finds that the point first named is, under the facts of this case, not well taken, and constitutes no bar to this application. The court further finds that, so far as the motion involves injunctive relief not granted in the original order, it should and will not be now entertained, in view of the time which has elapsed since the injunctive order was entered and the condition of the record with reference to final hearing; that, as to the complainants' contention that whatever appears on the fall-board of defendants' piano constitutes the name of the piano, the court is not prepared at the present time to go to that extent; that the use of the words, "Chickering Bros., Chicago," upon the fall-board of defendants' piano, without other means of advising a purchaser that the piano was and is not the piano of the original Chickering & Sons, exhibited adjacent thereto and as prominently as the name "Chickering Bros., Chicago," is exhibited, was and is not a compliance with clause 2 of said

original injunctive order, and constitutes a violation thereof; that it is the meaning and intent of said clause 2 that every use of said name of "Chickering," or "Chickering Bros.," on the fall-board or elsewhere on their piano, or in advertising, should and shall, in close proximity thereto, be accompanied by equally prominent words, or other means, which shall be sufficient to advise any intelligent person dealing with defendants that the piano is not that of complainants; that the use of the term, "the only Chickering making pianos," is an evasion and a violation of clause 5 of the order enjoining defendants "from making use of, on or in connection with the manufacture or sale of pianos, the statement, 'The only piano made by a Chickering,' or any statement similar thereto, or from stamping, stenciling, or impressing upon their said pianos said statement, or any statement similar thereto."

Complainant may prepare a supplemental decree in accordance herewith.

UNITED STATES DISTRICT COURT

A. STEIN & CO. V. LIBERTY GARTER MFG. CO., *et al.*

(198 Fed. Rep., 959.)

1. **CONFLICTING TRADE-MARKS—"PARIS" AND "FRENCH."**

Evidence showing actual confusion of defendant's "French" garters with complainant's "Paris" garters is sufficient to justify a preliminary injunction.

2. **PRELIMINARY INJUNCTION—PRIOR LITIGATION.**

Where it appears that the defendant is so related to the defendant in a prior suit, in which judgment was rendered for the complainant by default, that all questions of confusion between the goods of the parties might have been settled therein, had this defendant so desired, a preliminary injunction will be granted.

In Equity. On motion for preliminary injunction.

Philipp, Sawyer, Rice & Kennedy, for complainant.

Abr. A. Silverberg, for defendants.

LACOMBE, Circuit Judge.—The facts upon which complainant charges infringement of its trade-mark and unfair competition are substantially the same as those shown in the former suit of the same complainant against Louis Grosner. When ap-

plication was made in that suit for a preliminary injunction, the court was inclined to the opinion that, although the word "French" looked very much unlike the word "Paris," the use of the former as a brand for garters might very easily result in confusing the goods sold under that brand with those manufactured by complainant and sold to purchasing users as "Paris" garters. This impression was strengthened by the many similarities in the dress of the goods of both parties as packed for sale. Some of these similarities were no doubt the natural result of packing such goods conveniently for market, but there were (and are) others which apparently have been adopted, not from any necessity or mere convenience, but solely to imitate peculiarities of complainant's packing. Nevertheless, it seemed wiser to postpone decision of the question till final hearing in order that such testimony as complainant offered touching such confusion might be submitted to the test of cross-examination.

After the complainant's record in that case was complete, defendant Grosner offered no testimony, and judgment against him was entered by default. The record now submitted seems quite clearly to indicate that the relations between the defendant in the former suit (Grosner) and defendants here, who since 1909 have (individually or through corporations which they control) been making and selling these "French" garters, were such that the latter could, if they so wished, have had all question as to confusion of goods through similarity of names settled in the former suit. There is no reason, therefore, for again postponing the decision of the question till final hearing. Complainant has shown its ownership of a valid trade-mark in the word "Paris" as applied to garters, and there is evidence showing that the use of the word "French" in the same connection does produce confusion among retail purchasers. Especially persuasive is the affidavit of Frank in rebuttal, showing instances where defective "French" garters have been returned by retailers to the manufacturer of "Paris" garters, presumably under the impression that the two names referred to the same goods. Complainant may therefore take an order for preliminary injunction against the word "French" as a brand for garters. The operation of the injunction will be suspended for 30 days in

order to give opportunity to make the necessary changes in labels and advertisements.

VASSAR COLLEGE v. LOOSE-WILES BISCUIT Co., *et al.*

(197 Fed. Rep., 982.)

Western District of Missouri, July 8, 1912.

1. PARTIES DEFENDANT—OFFICERS OF CORPORATION.

In an action to enjoin the use of a corporate name and seal in the sale of merchandise, the officers of a corporation defendant are improperly joined, where no acts are charged against them except such as were done in their official capacities as corporate officers.

2. TRADE-NAME—USE OF CORPORATE NAME AND SEAL.

Vassar College, an incorporated educational institution, can not enjoin the use of its name and a simulation of its corporate seal in the advertising and sale of merchandise.

In Equity. On final hearing.

E. F. Ware, Ralph Nelson, and E. H. Ware, for complainant.
Frank Hagerman and Kimbrough Stone, for defendants.

VAN VALKENBURGH, District Judge.—The complainant Vassar College, is a corporation created and existing under and by virtue of the laws of the state of New York, with its principal place of business at the city of Poughkeepsie, in that state. It is a well-known institution of learning for the education in the arts and sciences of such women as may pass examination for admittance thereto. It takes its name from its founder, Matthew Vassar, by whom it was liberally endowed. The defendant, Loose-Wiles Biscuit Company, is a corporation organized and existing under the laws of the state of Missouri with its principal place of business at Kansas City, in said state. The defendant J. S. Loose is its president, the defendant J. H. Wiles its vice-president, and the defendant F. B. Houston its manager. The defendant corporation is engaged in the manufacture and sale of biscuit and kindred products on an extensive scale, and among other such products, of candy, one variety of which is called "Vassar Chocolates," which has been widely advertised. It is substantially charged in the bill that the packages containing that candy and the advertisements thereof employ the name of Vassar,

a likeness of a young lady in scholastic garb and wearing a mortarboard hat, an imitation of the college pennant, a college yell, and an imitation of the college seal, with the words "Vassar Chocolates" and "Always fresh" substituted for the words "Vassar College" and "Purity and Wisdom," respectively. Complainant charges that it is thereby brought into public contempt and ridicule, and that, because thereof, its business is injured, and its graduates and students humiliated.

For its relief complainant prays:

"A writ of injunction to be directed to the defendants, and each of them, touching the matter in question, and restraining them all and singly, their agents, attorneys, and employees, and particularly enjoining the said individual defendants, as officers and directors of said defendant corporation, from using the word 'Vassar' in their business, and from using any word, sign, symbol, emblem, or device relating in any manner to the complainant; or in using, advertising, or publishing anything suggestive thereof or connected therewith, or in printing any card, label, device, words, or symbols of such import, as is herein set forth, or in imitating or simulating its seal, colors, or emblems. And that the said individual defendants be particularly enjoined from taking any official or personal action that would tend to violate the rights of the complainant, regarding the matter herein complained of."

To this bill the defendants have demurred, stating the following grounds:

"(1) The complainant has not in and by said bill made or stated any such cause as does or ought to entitle it to any such relief as it thereby sought and prayed for against these defendants.

"(2) The complainant has in and by said bill improperly joined the Loose-Wiles Biscuit Company, a corporation, with these defendants, whereas there is no joint cause of action averred."

In the bill the cause of action, if any, against the individual defendants, springs solely from their official relation to the corporation. No separate individual acts are charged against them.

As will be gathered from what has been stated, as well as from an inspection of the bill in its entirety, the complaint entered partakes largely of the nature of libel, and also suggests an invasion of the "right of privacy," but complainant in its argument and brief expressly denies that either the one or the other lies at the foundation of its suit. In their brief, counsel for complainant say:

"Vassar College does not base its claim on a right to privacy because it is a public institution, but it does base it upon a 'right to be let alone'

unless some public purpose is subserved. The college, its name, its seal, and its belongings are private property, and, if irreparable injury, incapable of measurement, ensues from not being let alone, then, if no public right or interest is involved, the defendants should be enjoined."

Also:

"It is a public institution, and it claims that the acts of the defendants damage the property and the use of the property of the complainant."

And again:

"We have not alleged a libel, and upon our allegation in the complaint we may not be entitled to an action at law; but a person may have no action at common law, and yet one in equity."

It is quite obvious that the complainant could not well invoke the right of privacy, whatever that right may be determined to be, from the irreconcilable conflict of opinions and views of courts of last resort in various jurisdictions, because, as is admitted, it is not only a corporation, but a public institution, depending upon and inviting wide-spread publicity for the fullest return from the exercise of its functions as an institution of learning. Where a person is a public character, the right of privacy disappears. *Corliss v. E. W. Walker Co.* (C. C.), 57 Fed., 434; s. c., 64 Fed., 280, 31 L. R. A., 283. As said by counsel for defendants in their brief:

"The plaintiff is a corporation, and therefore can have no 'right of privacy' in its name, as the entire basis of the right of privacy cases is an injury to the feelings or sensibilities of the party. A corporation can have no such ground for relief."

However, as complainant expressly disclaims reliance upon this right, the court is relieved from the necessity of attempting to bring harmony out of the conflict of decisions on this subject. It becomes necessary to determine, therefore, in what respect the rights of complainant, of which this court can take cognizance in this proceeding, have been invaded. The bill, among other things, contends that "anything that would affect the name of 'Vassar,' or bring it into ridicule or derision, would be an injury which would be irreparable, and would affect the value of the plant and the value of its use." It is asserted that the use of this name and certain pictures in connection with advertisements, among other things, is calculated to create in the public mind the

impression that the chocolates sold by the defendants are a particular favorite at Vassar College and with the students and alumnae thereof; that mortarboard hats, a distinctive scholastic garb, are peculiar to Vassar students; that the portrayal of a building in the form of a Greek temple, certain college colors, and a seal with certain inscriptions paraphrasing those upon the seal of the complainant corporation, tend to provoke discussion and reproach, to produce criticism and ridicule, and are matters of regret, pain, and annoyance to the students and to the graduates of the college, and tend to depreciate the college in the eyes of the public. As to the graduates and students, it may be said that they are not parties to this suit, and this character of injury to feelings is scarcely a matter of legal remedy. While these allegations involve the annoyance which springs from wounded sensibilities, and while the "right to be let alone" inheres in the right to privacy and would seem to involve an assertion of that right, nevertheless it is inferable from the bill that the real injury for which relief is prayed is sought to be founded upon the assumption that the college is thereby depreciated in the eyes of the public, and the complainant is caused to lose its standing and supremacy as an educational institution, and thus to suffer a loss which it can not estimate.

This injury would seem to be either libel or in the nature of libel, but here we are met with two difficulties. The first is that in this country a court of equity is without jurisdiction to restrain the publication of libel.

The second is that, as this is a corporation and as the publication does not appear to be defamatory or libelous *per se*, its right to recover in such an action may well be doubted. It would seem to be necessary in order to support recovery that it should plead and prove special damages from the publication, and this, it expressly avers, it can not do. Viewing the bill as, in effect, having charged libel, would not the demurrer have to be sustained, first, because of want of jurisdiction of the subject-matter, and, second, because no cause of action has been stated, or according to the averments of the bill, can be stated? But counsel for complainant in their brief, as we have seen, expressly disclaim that they have charged a libel, but rather that the name, seal, and be-

longings of the college thus appropriated for advertising purposes are the private property of the complainant, and that if irreparable injury, incapable of measurement, ensues, then, if no public right or interest is involved, the defendant should be enjoined, and that this is true, even though complainant may have no action at common law or by statute. It may be observed in passing that there is presented no controversy respecting a trade-mark, nor a trade-name, nor the use of such in unfair competition. The complainant is not engaged in the manufacture or sale of candy, nor is its business injuriously affected in such a sense.

It becomes pertinent to inquire whether as a public corporate institution it has such a property right in the name "Vassar" and in the other insignia displayed by the defendants in their advertisements as would entitle it to restrain the use of such in any manner or form in connection with the advertisement and sale of merchandise, either with or without damage to itself, whether appreciable or otherwise. It would seem that upon this view, if at all, the right of complainant must be founded; also, it must be considered whether upon the face of the bill the court can say, as matter of law, whether or not injury could result from the acts complained of. As said by the supreme court, *in re Sawyer*, 124 U. S., 200-210, 8 Sup. Ct., 482, 487 (31 L. Ed., 402).

"The office and jurisdiction of a court of equity, unless enlarged by express statute, are limited to the protection of rights of property."

Because of the complex nature of complainant's statement of the character of the injury complained of, whereby its differentiation from libel becomes a matter of difficulty, it is necessary, despite the disclaimer entered, to consider the attitude of courts of equity toward publications amounting to libel, or in the nature of libel. Some definitions of libel, which have met with frequent judicial approval, will disclose what close analogy, if not identity, it bears to the publications here complained of. "A libel is a malicious publication, expressed either in printing or writing, or by signs and pictures tending either to blacken the memory of one dead or the reputation of one who is alive, and expose him to public hatred, contempt, or ridicule." 25 Cyc., 243, and cases cited. Of course, the only malice essential is presumed from the

willful or intentional doing of the unlawful act. "A censorious or ridiculing writing, picture, or sign, made with a mischievous and malicious intent towards government, magistrates, or individuals. Any writing, picture, or other sign tending, without lawful excuse, to injure the character of an individual, by subjecting him to ridicule, contempt, or disgrace. A false and unprivileged publication which exposes any person to hatred, contempt, ridicule, or obloquy, or which causes him to be shunned or avoided, or which has the tendency to injure him in his business." 25 Cyc., 244, and cases cited. It is the general rule in the United States that a court of equity has no jurisdiction to enjoin the publication of a libel. "If a court of equity could interfere and use its remedy of injunction in such cases, it would draw to itself the greater part of the litigation properly belonging to courts of law." *Francis, et al. v. Flinn*, 118 U. S., 385, 6 Sup. Ct., 1148, 30 L. Ed., 165. "Charges of slander are peculiarly adapted to and require trial by jury; and exercising, as we do, authority under a system of government and law which by a fundamental article secures the right of trial by jury in all cases at common law, and which by express statute declares that suits in equity shall not be sustained in any case where a plain, adequate, and complete remedy may be had at law, as has always heretofore been considered the case in causes of libel and slander, we do not think that we would be justified in extending the remedy of injunction to such cases." *Bradley, Justice, in Kidd v. Horry, et al.* (C. C.), 28 Fed., 773; *Fougeres v. Murbarger, et al.* (C. C.), 44 Fed., 292. Of course, where the attempt to injure consists of acts or words which will operate to intimidate and prevent the customers of a party from dealing with, or laborers from working for him, an exception to the rule stated is presented, and the courts have with nearly equal unanimity interposed by injunction. *Coeur D'Alene Consolidated & Mining Co. v. Miners' Union* (C. C.), 51 Fed., 260-265, 19 L. R. A., 382; *Balliet v. Cassidy* (C. C.), 104 Fed., 704. If, then, these publications do, in fact, amount to libel this court is clearly without jurisdiction. If they do not amount to libel, it is necessary to determine what personal or property right of complainant of which the law can take cognizance has been invaded. In *Assurance Co. v. Knott*, L. R., 10 Ch., 142, Lord Carins held that

if the publications did not amount to libels, and were therefore innocuous and justifiable in the eye of the court of common law, he was at a loss to understand upon what principle the court of chancery could interfere; and if, on the other hand, the comments were libelous, it was clearly settled that the court of chancery had no jurisdiction to restrain their publication. *Casey v. Cincinnati Typographical Union No. 3* (C. C.), 145 Fed., 142, 12 L. R. A., 193. "A person can not be enjoined from doing any act unless it is fairly apparent the act is wrongful, or the person sought to be enjoined has no right to do that act. * * * It (a court of equity) can not try the question for itself, or determine the right in advance of the law court." *Citizen's Light, H. & P. Co. v. Montgomery Light & W. P. Co.*, (C. C.), 171 Fed. 553-556. It must be remembered that the complainant is a corporation, and, as such, its rights are not as broad as those of an individual in this respect. It may maintain an action for libel, but only upon averment and proof of special damages. This would clearly be true in respect of a slander of its goods and property. 10 Cyc. par., 1336, and cases. In this case, the complainant, being a corporation, has no reputation or character, as commonly understood, that can be assailed, but the injury, if any, must be directed to its business; and to maintain an action for libel it must aver and prove special damages. This, it confesses, it can not do. The publications made are not actionable *per se*, and complainant could not recover, as for libel, if they were. It is evident, therefore, that recovery can not be predicated upon the theory of libel, whether from the standpoint of equity or of law.

An appeal to the so-called "right of privacy" is also disclaimed; but, nevertheless, complainant's bill almost, if not entirely, invokes that right. The argument in *Edison v. Polyform Mfg. Co.*, 73 N. J. Eq., 136, 67 Atl., 392, proceeds along this line, and an analysis of that case will dispose of some of the important contentions here presented. It was there assumed that Mr. Edison's name is his own property, and therefore it is asked why its pecuniary value, if it has one, does not belong to its owner, rather than to the person making an unauthorized use of it. *Roberson v. Rochester Folding Box Co.*, 171 N. Y., 538, 64 N. E., 442, 59 L. R. A., 478, 89 Am. St. Rep., 828, is disapproved

apparently upon the ground that it does not recognize the right of privacy, and the invasion of this alleged personal right, with its resulting humiliation and distress, as the foundation of recovery. *Pavesich v. Insurance Co.*, 122 Ga., 190, 50 S. E., 68, 69 L. R. A., 101, 106 Am. St. Rep., 104, 2 Ann. Cas., 561, which is confessedly bottomed upon that assumed right, is strongly commended. Nevertheless, the court finds that injury to property in some form is an essential element to relief. However, the insignificance of the right from a pecuniary standpoint does not always bar relief, and in that view it concludes that Mr. Edison in that case is clearly entitled to an injunction. The cases relied upon are *Vanderbilt v. Mitchell*, 72 N. J. Eq., 910, 67 Atl., 97, 14 L. R. A. (N. S.), 304; *Routh v. Webster*, 10 Beav., 561; *Walter v. Ashton*, 2 Ch., 282. All these cases present a direct possible injury to property. The first involved a risk of pecuniary liability, so the second, and so the third, all because the complainant was held out as a responsible party in the several civil enterprises considered. Apparently upon this ground the defendant company was restrained from holding out that Mr. Edison had any connection with or part in the business. "The abstract question whether a company can innocently use, as a part of its title, the name of a distinguished living character, is not before me for decision, and no opinion is expressed about it." So that the relief granted was based upon the apprehension of direct financial injury—that is, a right of property. The jurisdiction of a court of equity was justified by a quotation from the opinion in *Vanderbilt v. Mitchell*, *supra*, to wit:

"From time immemorial it has been the rule not to grant equitable relief where a party praying for it had an adequate remedy at law. But modern ideas of what are adequate remedies are changing and expanding, and it is gradually coming to be understood that a system of law which will not prevent the doing of a wrong, but only affords redress after the wrong is committed, is not a complete system, and is inadequate to the present needs of society."

Concerning one aspect of the general doctrine here expressed, there is, perhaps, little difference of opinion. Modern ideas are changing and expanding, and equity should, of course, meet the demand for elasticity which originally called it into being. It is declared that:

"A system of law which will not prevent the doing of a wrong, but only affords redress after the wrong is committed, is not a complete system, and is inadequate to the present needs of society."

This sounds convincing ; but does it not mean that practically all remedies at law are in this sense inadequate, and that equitable relief should be very generally substituted for them? We are led to wonder whether this has not been true of society at all times—past as well as present. If so, have courts of equity in their administration always failed to afford adequate relief in certain cases? Or must we concede that in their evolution, wisdom, born of unfolding experience, has been justified in placing a limitation upon their jurisdiction?

We may readily admit, for the purposes of this discussion, that one who has been held out to be so intimately connected with an enterprise, fraudulent or otherwise, as to import personal interest and responsibility, may, by acquiescence and apparent acceptance, incur liability; that, after that liability accrues, he may find his redress in an action at law inadequate; and, for this reason, he may, perhaps, in some instances, property rights being manifestly involved, with propriety seek preventive relief.

But does this mean that equity must in general assume the burden of preventing all contemplated legal wrongs upon the theory that subsequent remedies at law may prove inadequate or less satisfactory? If so, what becomes of the right of trial by jury, and what may be thought of the system of court paternalism thus to be established? In the Edison case the complainant was, by publication, directly and pointedly connected with the business in a position of responsibility. Here the effect, if any, upon the complainant's property is indirect, remote, and speculative. If the unauthorized publications of defendants bring the complainant into ridicule and resulting disrepute, they are in the nature of libel. If so, they are actionable at law if special damages can be proved. In that case a court of equity would ordinarily seem to be without jurisdiction, but if the damages can not be ascertained, or even certainly known to exist, it is now said there is no adequate remedy at law; nor, it might be added, any cause of action at all in favor of a corporation. What then? Must a chancellor say arbitrarily that there is damage when no other

party nor tribunal can point one out? May he create a right when none exists at law; or, in another view, is it not equivalent to saying that the publication is damaging and libelous *per se*, and, if so, special damages need not be laid nor proven? Legal remedies in such cases have always been thought to be adequate. Here, again, the jurisdiction of equity would be wanting, and, if it assume jurisdiction in such a case, where may it properly leave off? It would seem that it must, unaided and unfettered, undertake to redress, or rather to prevent, all civil wrongs upon its own initiative and its own conscience. It would appear that this is not permitted by the spirit of our institutions, nor invited by that of "changing and expanding modern ideas." However, the courts have generally encountered these same difficulties, and the weight of authority has furnished no uncertain guide.

The only property right asserted is that to the name of "Vassar" and the signs, symbols, emblems, or devices relating thereto. The exclusive right to the use of a surname in cases like this has frequently been denied and to that effect is the greater weight of authority. *Clark v. Freeman*, 11 Beavan, 112. "A person has no such exclusive right to the use of a surname, or a name applied to house or land, as will enable him to prevent its assumption by another." 29 Cyc., 271; *Olin v. Bate, et al.*, 98 Ill., 53, 38 Am. Rep., 78. "Equity will not restrain the use of the name and likeness of a deceased person as a label for a brand of cigars named after him, though offensive to the family of the deceased, so long as it does not amount to a libel. * * * Society understands this, and may be depended upon to make proper allowances in such cases; and although each individual member may, in his own case, suffer a feeling of humiliation when his own name or that of some beloved or respected friend is thus used, he will usually, in the case of another, regard it as a trifle. We feel sure that society would not think the less of Col. John Atkinson if cigars bearing his name were sold in the shops. Nor are his friends brought into disrepute thereby. So long as such use does not amount to a libel, we are of the opinion that Col. John Atkinson would himself be remediless, were he alive, and the same is true of his friends who survive. *Atkinson v. Doherty & Co.*, 121 Mich., 372, 80 N. W., 285, 46 L. R. A., 219, 80 Am.

St. Rep., 507. "An injunction can not be granted to restrain the unauthorized publication and distribution of lithographic prints, or copies, of a photograph of a young woman as part of an advertisement of a legitimate manufactured article, where there is no allegation that the picture is libelous in any respect." *Roberson v. Rochester Folding Box Co.*, 171 N. Y., 538-539, 64 N. E., 442 (59 L. R. A., 478, 89 Am. St. Rep., 828). In *Corliss v. E. W. Walker Co.* (C. C.), 64 Fed., 280, the portrait, and it may be presumed the name of a private individual, is recognized as property, but a distinction is made between such a person and a public character. In *Edison v. Thomas A. Edison, Jr., Chemical Co.* (C. C.), 128 Fed., 957, the bill was brought by Thomas A. Edison to enjoin the defendant company from using the name "Edison" and the word "Wizard" in connection with the manufacture of certain ink tablets, on the ground that such was calculated to convey to the public the impression that the complainant was connected with the manufacture of such tablets, that the same were of little value, and that, if the public should consider that devices and processes invented by him were of little value, the income that he would derive from the selling or working of the processes invented by him would be very materially decreased, that the injury and damages thus resulting could not be adequately compensated for by an action in a court of law, presumably because they were insusceptible of ascertainment and exact calculation. It will be seen that in principle the case there presented was very similar to the one at bar. The court held:

"The bill does not charge the defendant with menace, intimidation, or coercion of any kind toward customers of the complainant, or with any direct attack upon his property or conduct of his business; nor does it allege that the acts complained of have created, or, if repeated, will create, any liability on the part of the complainant to third persons. Further, the case as presented is, indeed, one only of constructive, indirect, or implied libel or defamation by the defendant of the business reputation of the complainant and consequent diminution of his income. To hold that on the facts admitted by the demurrer the complainant is entitled to the relief he prays would establish a dangerous precedent, calculated to produce confusion in the business world, open wide a door to fraud, and result in much greater evil to the public than that suffered by the victims of the defamation."

The conclusion is that the case made was one merely of libel or defamation of business reputation, unaccompanied by threats,

intimidation or coercion, or by any direct attack upon property or conduct of business, or by any direct or indirect creation of liability on the part of the complainant, and was therefore not within the equitable jurisdiction of the court. Similar views are expressed in *Henry v. Cherry, et al.*, 30 R. I., 13, 73 Atl., 97, 24 L. R. A. (N. S.), 991, 136 Am. St. Rep., 928, 18 Ann. Cas., 1006, and *Roberson v. Rochester Folding Box Co.*; 171 N. Y., 538, 64 N. E., 442, 59 L. R. A., 478, 89 Am. St. Rep., 828.

In *Adriance, Platt & Co. v. National Harrow Co.* (C. C.), 98 Fed., 118, Judge Coxe said:

"The doctrine upon which the bill relies is an exotic of recent origin which has received but scant favor in the courts of this country. The moment it becomes a recognized branch of our jurisprudence courts of equity will be urged persistently to intrude into the affairs of trade and dictate the language in which merchants shall advertise their wares. It will foster a system of vexatious judicial parentalism which will create more evils than it will cure."

In *Edison v. Edison Polyform Mfg. Co.*, 73 N. J. Eq., 136, 67 Atl., 392, already referred to, the court held:

"An injunction will lie to restrain the unauthorized use of one's name by another as a part of its corporate title, or in connection with its business or advertisements, his picture and his pretended certificate that a medicinal preparation, which such other is engaged in manufacturing, is compounded according to the formula devised by him, though he is not a business competitor."

In that case, as has been seen, it was ultimately shown that a distinct property right in the way of possible personal responsibility for the obligations of the defendant company might accrue by reason of complainant being thus held out to be connected with the defendant company in the absence of repudiation on his part. But, nevertheless, the court states in support of its position the language of the supreme court of the United States in *Brown Chemical Co. v. Meyer*, 139 U. S., 540, 11 Sup. Ct., 625, 35 L. Ed., 247, wherein it is said:

"A man's name is his own property, and he has the same right to its use and enjoyment as he has to that of any other species of property."

The language here used was in connection with alleged unfair competition in trade. Both parties had, or were entitled to use, the same name, and it is with reference to the right of a man to

use his own name, if that use be a reasonable, honest, and fair exercise of such right, that the court asserted that a man's name is his own property. This statement was not made in the sense of denying the right of one person to use the surname of another, and follows a previous announcement that a man may in some cases be denied the right to use his own name under circumstances which would result in unfair competition in trade. The rules governing competition have, of course, no application to the matter here under inquiry. The weight of authority is clearly against the contention that such property rights exist in a surname that its use may be enjoined merely because it is a source of profit to the user and under circumstances which do not result in unfair competition and business loss resulting therefrom to the one asserting proprietorship in such surname, and particularly would this be true of a public corporate citizen which has assumed a name under the conditions here presented. So that we must find that complainant has sustained some injury to its property, which the law can recognize, distinct from libel and the mere use of a portion of its corporate name, before the jurisdiction of a court of equity can attach.

In the case of *Adriancc, Platt & Co. v. National Harrow Co.*, *supra*, the court overruled the demurrer in accordance with these further views:

"Cases of such rank injustice may arise that the interference of a court of equity may be necessary. * * * The Court is not prepared to say that a case may not be so saturated with fraud, falsehood, and malice as to require the summary interference of a court of equity. Although it is reasonably certain that the case at bar is not such a case, it is also clear that such a case may be proved under the sweeping allegations of the bill, which charges, in brief, that all the material statements of the circulars are false, fraudulent and malicious and made with intent to destroy the complainant's business."

In this bill there are no such allegations. It says:

"The complainant says that all of the acts of the defendants, herein complained of, are wholly without the consent or permission of the complainant, and are done with mercenary motives, with intent to deceive, and without regard for the feelings, sensibilities, rights or wishes of the complainant, or of others now or formerly connected with said college. * * * And that all such acts or doings are willful, and are contrary to equity and good conscience, and to the manifest wronging of the complainant and to its irreparable injury."

In *Edison v. Thomas A. Edison, Jr., Chemical Co., supra*, it is said:

"A demurrer does not admit the truth of general allegations of fraud, but only the facts set forth as constituting the alleged fraud and all reasonable deductions from them. And, where a bill avers a legal inference which the facts stated therein do not justify, a demurrer, while confessing the facts, will not be considered as admitting the correctness of the inference."

So here the bill sets forth explicitly the facts from which it asks the wrongful conduct of the defendants and its own resulting injury to be inferred. So that the entire case sought to be made is, and is intended to be fully disclosed upon the face of the bill. In such a case the right to relief can be adequately determined upon demurrer. The wrong here complained of is undefined and uncertain even in the minds of complainant's counsel, who, upon the original argument of the case, frankly admitted that "complainant was unable to find any case in point for or against its contention, and states the case to be in its opinion one of a new character and without exact precedents, and that, therefore, it should be decided according to right and justice as the same should appear from the reading of the complaint." Unfortunately for this position, "equity does not undertake to relieve from all the annoyances caused by those who are inconsiderate of the feelings and business interests of others. On the contrary, it is a general rule, which has some exceptions, that it will not undertake to interfere where a party has an adequate remedy at law and when it does interfere, it is guided by principles of equity, which during the long course of its administration have become established." *Marlin Fire Arms Co. v. Shields*, 171 N. Y., 384, 64 N. E., 163, 59 L. R. A., 310. Any departure from these sound principles is likely to lead to evils far greater than those sought to be remedied. In an analogous case the court in *Roberson v. Rochester Folding Box Co.*, 171 N. Y., 538, 64 N. E., 442, 59 L. R. A., 478, 89 Am. St. Rep., 828, said:

"If such a principle be incorporated into the body of the law, through the instrumentality of a court of equity, the attempts to logically apply the principle will necessarily result, not only in a vast amount of litigation, but in litigation bordering upon the absurd; for the right of privacy, once established as a legal doctrine, can not be confined to the restraint of the publication of a likeness, but must necessarily embrace as well

the publication of a word picture, a comment upon one's looks, conduct, domestic relations, or habits. And, were the right of privacy once legally asserted, it would necessarily be held to include the same things if spoken, instead of printed, for one, as well as the other, invades the right to be absolutely let alone."

And again:

"The temperaments of individuals are various and variable, and the imagination exerts a powerful and incalculable influence in injuries of this kind. There are many moral obligations too delicate and subtle to be enforced in the rude way of giving money compensation for their violation. Perhaps the feelings find as full protection as it is possible to give in moral law and a responsive public opinion. The civil law is a practical business system, dealing with what is tangible; and does not undertake to redress psychological injuries."

In *Schuyler v. Curtis*, 147 N. Y., 434-448, 42 N. E., 22, 26 (31 L. R. A., 286, 49 Am. St. Rep., 671), the same court said:

"In this class of cases there must be some reasonable and plausible ground for the existence of this mental distress and injury. It must not be the creation of mere caprice nor of pure fancy, nor the result of a supersensitive and morbid mental organization, dwelling with undue emphasis upon the exclusive and sacred character of this right of privacy. Such a class of mind might regard the right as interfered with and violated by the least reference, even of a complimentary nature, to some illustrious ancestor without first seeking for and obtaining the consent of his descendants. Feelings that are thus easily and unnaturally injured, and distressed under such circumstances, are much too sensitive to be recognized by any purely earthly tribunal. A proposed act which a court will enjoin because it would be a violation of a legal right must, among other conditions, be of such a nature as a reasonable man can see might and probably would cause mental distress and injury to any one possessed of ordinary feeling and intelligence, situated in like circumstances as the complainant, and this question must always to some extent be one of law."

While these cases were dealing specifically with the so-called right of privacy, nevertheless the principles with which they dealt were similar to those here presented. There, however, the complainant was an individual, with correspondingly strong claims upon the consideration of the court. Here the complainant corporation must found its claim to relief upon injury to its business, and the act complained of must be of such a nature as reasonable men can see might and probably would produce the injury. "It is settled by authority that a libel on a thing is not actionable unless the owner of the thing alleges and proves that he has sustained pecuniary loss as a necessary consequence of the publication." *Marlin Fire Arms Co. v. Shields*, *supra*. This is

equally true of the wrong here asserted, whether it be considered as libel or otherwise. The complainant concedes that the injury, if any, is not susceptible of estimation or determination. Whether it exists at all must be, to some considerable extent, a question of law.

I am unable to perceive that any right exists in complainant which is cognizable in a court of equity; nor can I perceive any injury which this court has power to remedy. The injurious effects, if any, of the advertisements complained of, are speculative in the highest degree. They seem to me to be largely creations of fancy, due to supersensitiveness and apprehension. They are lodged rather in a feeling of distaste on the part of those interested in Vassar College for seeing its name and insignia, inferentially at least, linked with any commercial pursuit, than in any appreciable injury to its tangible property. I have not felt, and can not feel, that anyone could think less of this eminent institution by reason of the acts of defendants recited in this bill; and I believe it to be beyond the power of this court to take cognizance of the psychological injuries recited. A citizen of the United States has no transcendent personal right founded on instinct of nature, in addition to the rights guaranteed by the written Constitution. The constitutional provision entitling every man to a certain remedy for all injuries or wrongs received in his person, property, or character is not self-executing. Individual conception of natural justice is not law. To make it law is therefore a legislative act, forbidden by the Constitution to the courts. *Henry v. Cherry, et al.*, 30 R. I., 13, 73 Atl., 97, 24 L. R. A. (N. S.), 991, 136 Am. St. Rep., 928, 18 Am. Cas., 1006. If the use of the name in commercial publications, as in the case at bar, be deemed an unwarranted invasion of personal rights, it is within the province of the Legislature so to declare. The courts can not create a right unknown to the common law, and not provided by statute.

For all the foregoing reasons, it follows that the bill must be dismissed.

[1. Notwithstanding this decision, the officers of a corporation may be held individually liable for acts of unfair competition done by them in furtherance of the corporate business (*Saxlehner v. Eisner, et al.*, 140 Fed. Rep., 938; 147 *id.*, 189; 203 U. S., 591).

2. The only justification in reason for this decision seems to be that the relief sought was without precedent. It is difficult to understand why an educational or religious corporation should not be entitled to equitable relief to restrain the misuse for trade purposes of its name or insignia. The injury suffered from such use may be, as was said in the opinion, "psychological," but most injuries to business or good will are primarily of the same character, in that they have their origin in a state of mind induced in actual or prospective customers of the business. The fact that in this case the pecuniary injury is more remote and less susceptible of proof than the injury resulting from the infringement of another's trade-mark or name, does not make it any the less probable. The courts of at least four states have enjoined the use of a personal name or portrait for commercial purposes, and one of them at least has recognized as the ground of its decision the individual's right of property therein (*Munden v. Harris*, 134 S. W. Rep., 1076; *Foster-Milburn Co. v. Chinn*, 134 Ky., 424; *Edison v. Edison Mfg. Co.*, 73 N. J. Eq., 136; *Pavesich v. N. Y. Life Ins. Co.*, 122 Ga., 190).

Reasonable persons must believe that the college name and seal may easily be appropriated to such commercial ends as would greatly injure its prestige and diminish its patronage, with a corresponding decrease in its revenues. Yet so difficult would it be to prove actual damage that an action at law would be of no avail to redress the wrong. Beside, the damage to such an institution from a cause which lessens its good repute with the public is not susceptible of measurement in terms of money. The same considerations of expediency which caused the development of the common law doctrine of the right to recover damages for the publication of that which is *per se* injurious to good repute should prompt a court of equity to give relief against that appropriation of another's name, whether individual or corporate, which is equally injurious but the damage resulting from which is incapable of measurement in the terms employed in the courts of law.]

MODERN WOODMEN OF AMERICA v. HATFIELD, *et al.*

(199 Fed. Rep., 270.)

District of Kansas, August 26, 1912.

UNFAIR COMPETITION—NAME OF FRATERNAL SOCIETY.

A fraternal beneficiary society may obtain an injunction in a federal court to enjoin the organization under the laws of another state by citizens thereof, of a similar society, to conduct the like business of beneficiary insurance under a name so resembling that of the original society as to be likely to deceive. It is not necessary to wait until the new society is organized and then enjoin it from doing business.

In Equity. On demurrer to bill of complaint.

Ferry, Doran & Dean, for complainant.

Rodolph Hatfield and J. G. Johnson, for defendants.

CAMPBELL, District Judge.—In this case the question now is on demurrer to the bill. It appears from the bill that complain-

ant is an Illinois corporation, a fraternal beneficiary society, having for its purposes fraternal relations among its members and financial aid to their beneficiaries upon their death; that it has been, and is now transacting business in this state under due authorization since 1883, has about 80,000 members, has paid out to deceased members more than \$10,000,000, and is now paying out \$1,000,000 per annum. Its organization as to head camp and subordinate officers is then set out, and the facts that the organization extends to 35 states of the Union and portions of Canada, and that its revenues are derived from dues and assessments comprising general and benefit funds. It is then alleged:

"That the complainant has fixed laws, rules, and regulations which are passed and adopted by the head camp of the society; that, under these laws, rules, and regulations, the society is controlled and managed and its funds collected and distributed; that these laws, rules, and regulations, and all forms adopted by the head and local camps thereunder, are the property and assets of the complainant society; that they are distinctive and well known to its membership and to the general public; that the local camps of the state of Kansas are known as 'the Kansas Woodmen,' and have been so known for many years; that the Modern Woodmen of America is known to be a strong, safe, well managed, fraternal beneficiary society, and that as such its name and the component parts thereof have a good will and property value; that the word 'Woodmen' is the principal part and the essence of the complainant's name; that the good will thereof has been established at great expenditure of time and money; and that as used in complainant's name it is a descriptive word, and that the public is in the habit of designating the complainant society by that name."

The defendants are alleged to be citizens of Kansas, and the amount in controversy is alleged to exceed \$3,000, exclusive of interest and costs.

It is then alleged:

"That at a meeting held in January, 1912, the complainant, through its head camp, or lawmaking body, deemed it wise, and for the best interest of the society and its members, to increase the rates of assessments, and at said meeting lawfully increased the same, said increase to become effective January 1, 1913; that the defendants herein, and others acting with them, whose names are to the complainant unknown, and are too numerous to be here inserted, if known, confederated and conspired together, and are now confederating and conspiring under the pretext of opposing said increase of rates, to fraudulently and unlawfully appropriate to themselves and their alleged new society, the name, title, insignia, designations, laws, rules, regulations, and property of the complainant, Modern Woodmen of America; that in consummation of said unlawful conspiracy and fraudulent acts said defendants have flooded the Kansas membership of the Modern Woodmen of America, and the public, with letters, writings, and articles issued through a publicity

bureau created by them, urging said Kansas members of the Modern Woodmen of America to desert said society and to enter and become members of an alleged new society under the name of 'The Kansas Fraternal Woodmen,' and are also soliciting the public to become members of said alleged new society; that in further consummation of said unlawful and fraudulent purposes said defendants have made application to the charter board of the state of Kansas for charter for their said alleged new society under the name and title of 'the Kansas Fraternal Woodmen'; that said defendants have incorporated in the proposed name of their new society the word 'Woodmen' for the purpose and with the intent of misleading and deceiving the members of the Modern Woodmen of America, and the public, and of thus appropriating the good will and fixed property rights of the complainant, by leading and causing said membership of the Modern Woodmen, and the public, generally, to believe that the new society is in truth and in fact a branch or part of the Modern Woodmen of America, well knowing that the Kansas members of said organization are known, and have for many years been known, as 'The Kansas Woodmen.'"

This, complainant charges, is fraudulent and unlawful, in that it is an attempt to appropriate its name and good will and mislead and deceive its membership and the general public, and is in violation of the state statutory prohibition against the adoption of a name too closely resembling that of a similar association. The recitations of the bill are further amplified by setting forth details not necessary here to repeat. It is charged that the use of the name "the Kansas Fraternal Woodmen" will tend to and will mislead and deceive complainant's members and the general public, and will lead to confusion and to the great and irreparable injury of the complainant, and that, unless enjoined, the defendants will apply to the state superintendent of insurance for a certificate of authority to do business in the state under the name of "the Kansas Fraternal Woodmen."

The prayer is that defendants be enjoined from soliciting membership or distributing literature in the name of "the Kansas Fraternal Woodmen," or attempting to procure or procuring from the state charter board a charter in such name; or from the state superintendent of insurance a certificate of authority to do business in such name, or from using complainant's form of organization, etc., or complainant's funds, property, or good will.

The demurrer raises two questions: (1) That a foreign corporation doing business in a state only by license has no

standing in a United States court of equity to question the right of citizens of the state granting it the license to take any necessary steps under the statutes of the state in which the court is located for the creation of a corporation bearing the same or similar name as the foreign corporation. (2) That complainant, a foreign corporation, can not invoke a United States court of equity, sitting in Kansas, by injunction, to restrain or enjoin these defendants from applying to duly constituted tribunals, clothed with limited judicial and discretionary powers, for a charter and permission to do business in the state.

In support of the first proposition, the defendants cite *Lehigh Valley Coal Co. v. Hamblen, et al.* (D. C.), 23 Fed., 225, and *Continental Ins. Co. v. Continental Fire Ass'n*, 101 Fed., 255, 41 C. C. A., 326. In the former case it was held by the circuit court for the northern district of Illinois, Judge Gresham presiding, that as the complainant was a foreign corporation, doing business in the state only by comity, and at the sufferance of the state, the complainant had no standing in the federal court to procure an injunction restraining the defendants from receiving stock subscriptions or taking any other steps necessary to be taken under the statute in the creation of the new corporation. It is to be noted that the defendants in that case, under a peculiar provision of the state law, were acting as commissioners to open books for subscriptions to the capital stock of the corporation, and are held by the court to perform a function under the laws of the state, if not as officers, at any rate as instrumentalities employed by the state. The court further held that, in view of the Illinois law prohibiting the issuance of a license to commissioners to receive stock subscriptions in the name of a corporation, the same as that of one or more other existing corporations, the question was primarily one for the secretary of state. But the court does not hold that the foreign corporation, complainant in that case, is without redress in the federal court against the defendants, acting not as state instrumentalities, but as officers of the corporation, for he says:

"I do not say what may be done if the defendants succeed in creating their corporation bearing the complainant's name, and a suit shall be brought by complainant to prevent individuals claiming to be officers or

managers of such corporation from interfering with the complainant's business as already stated."

But subsequently, in the case of *Peck Bros. & Co. v. Peck Bros. Co.*, 113 Fed., 291, 51 C. C. A., 251, 62 L. R. A., 81, the circuit court of appeals for the same circuit decided the question in favor of the right of the foreign corporation to such relief, saying in reference to a contrary decision by an appellate court of the state:

"We are compelled, with deference, to differ with the learned court, if it intended to hold that incorporation under the laws of the state of Illinois protects one from the consequences of his own wrong. In a certain limited sense the sovereignty of the state had conferred the name. There is, however, in the term 'sovereignty' no magic to conjure by. It can confer upon individuals no right to perpetrate wrong. Nor do we think that the sovereignty of the state of Illinois sought to do that. It has a general law of incorporation, by which any body of men combining for the purpose of business may incorporate under any name they may select: The name is not imposed by the law, but is chosen by the incorporators. With that selection the sovereignty of the state has nothing to do. The act of sovereignty allowing incorporation is permissive, not mandatory. It sanctions the act of incorporation under the name and for the business proposed, if that name and that business be otherwise lawful. The sovereign by the act of incorporation adjudges neither the legality of the business proposed, nor of the name assumed. That is matter for judicial determination by a court having jurisdiction of the subject when the legality of the business or of the name is called in question. If one may not use the name imposed upon him *in invitum* so that it shall work wrong to another, by what token may he become incorporated under a name selected by himself to effect like wrong? And how is the sovereignty of a great state impugned by the denial to incorporators of a right to perpetrate such a wrong? Is it possible that a sovereignty of a state can be thus invoked to perpetrate a fraud? If it may be, then indeed will that sovereignty stand for oppression, and not for justice. Then could one who, in connection with a business to which his name had been attached and had given value to it, having disposed of his right to use that name to another, and so by the law prohibited from using it in connection with a like business under circumstances that would work a fraud, be enabled to effect the fraud by simply becoming incorporated under that name under the sovereignty of the state of Illinois. We can not bend our judgment to the conclusion that a sovereign state designed thus to confer immunity for wrong. * * *

With respect to the denial by the supreme court of Illinois of the right of a foreign corporation to contest in the courts of that state the right of a domestic corporation to the corporate name given it by the state in its articles of incorporation, even if that name be selected in fraud and be used to perpetrate a wrong, we are not concerned. The state of Illinois has the undoubted right to regulate its own courts in its own way, and, if it so will, to turn a deaf ear to a demand for justice. A federal court, however, is organized in part to listen to complaints of citizens and corporations of one state against citizens or corporations of another state, and its doors may not be closed by any ruling of a state tribunal. We study the decisions of the highest court of a state with

respectful deference, but can not be concluded thereby in such a case as the present one, when the ruling invoked, in our judgment, works a grievous wrong. We can not follow the decision in the Hazelton case. The doctrine of the Illinois court, as we conceive, is not in accord with the decisions of the federal and of other state courts. *Celluloid Mfg. Co. v. Cellonite Mfg. Co.* (C. C.), 32 Fed., 94; *Rogers Co. v. Rogers Mfg. Co.*, 17 C. C. A., 576, 70 Fed., 1017; *Publishing Co. v. Dobbinson* (C. C.), 72 Fed., 603; *Higgins Co. v. Higgins Soap Co.*, 144 N. Y., 462, 39 N. E., 490, 27 L. R. A., 42, 43 Am. St. Rep., 769; *Holmes, Booth & Hayden v. Holmes & Atwood Mfg. Co.*, 37 Conn., 278, 293, 9 Am. Rep., 324."

In the second authority cited, *Continental Insurance Co. v. Continental Fire Association*, *supra*, there is not a distinct holding that a foreign corporation is without redress in such case. The court says:

"As under and in accordance with the laws of the state of Texas the defendant was incorporated under the specific name of the 'Continental Fire Association,' it has a *prima facie* right, certainly, under that name, to carry on in the state of Texas the business for which it was incorporated; and it would seem that a foreign corporation, with no such franchise, and doing business in the state of Texas only by license, is without standing to question the right of the defendant to use in its business the name granted and authorized by the state of Texas"—citing *Boston Rubber Shoe Co. v. Boston Rubber Shoe Co.*, 149 Mass., 436, 21 N. E. 875.

The court then states that in the cases coming under its observation (citing them) the controversy has generally been between corporations of the same state. The court further observes that it has found no such case in which a foreign corporation has been heard to complain, and cites and quotes from *Coal Co. v. Hamblen*, *supra*. The weight of the court's observations upon this question as an authority is, however, considerably affected by the latter part of the decision, which holds that, however all this may be, if it is assumed that the corporate name of a business corporation is practically its trademark, and that equity will deal with it in a proper case on principles analogous to those governing the use of the trademark, still the facts in the case do not sustain plaintiff's contention.

In the case of *Peck Bros. Co.*, *supra*, in which is cited *Celluloid Mfg. Co. v. Cellonite Mfg. Co.* (C. C.), 32 Fed., 94, Mr. Justice Bradley, then of the United State supreme court, is quoted as observing in the latter case:

"As to the imitation of the complainant's name, the fact that both are corporate names is of no consequence in this connection. They are

the business names by which the parties are known, and are to be dealt with precisely as if they were the names of private firms or partnerships. The defendant's name was of its own choosing, and, if an unlawful imitation of the complainant's, is subject to the same rules of law as if it were the name of an unincorporated firm or company. It is not identical with the complainant's name. That would be too gross an invasion of the complainant's right. Similarity, not identity, is the usual recourse when one party seeks to benefit himself by the good name of another."

And from Hopkins on Unfair Trade:

"Where the defendant is a corporation whose corporate name includes a proper name, and was selected by the incorporators with the intent and for the purpose of deceiving the public into the belief that its goods are the goods of the plaintiff, such frauds will, of course, be enjoined."

The right of a foreign corporation to equitable relief by injunction against the fraudulent use of the same or similar name by a domestic corporation in the state and federal courts is further supported by the following authorities: *U. S. L. & H. Co. of Maine v. U. S. L. & H. Co. of N. Y.* (decided by the U. S. C. C. for the Southern Dist. of N. Y. in 1910), 181 Fed., 182; *Phila. Trust, Safe Dep. & Ins. Co. v. Phila. Trust Co.* (U. S. C. C., Dist. Dela.), 123 Fed., 534 (decided in 1903); *Knights of Maccabees of the World v. Searle, et al.* (decided by the supreme court of Nebraska in 1905), 75 Neb., 285, 106 N. W., 448; *Atlas Assurance Co. v. Atlas Ins. Co.* (decided by the supreme court of Iowa in 1907), 138 Iowa, 228, 112 N. W., 232, 114 N. W., 609, 15 L. R. A. (N. S.), 625, 128 Am. St. Rep., 189. As will be observed, one of the above cases involved a fraternal beneficiary association. That such associations, especially when incorporated, although not solely business corporations organized only for profit, may so protect themselves from injury resulting from the fraudulent use of the same or similar names by other like organizations, is supported by the following authorities: *Knights of Maccabees of the World v. Searle, supra*; *Intern. Com. of Y. W. C. A. v. Y. W. C. A. of Chicago*, 194 Ill., 194, 62 N. E., 551, 56 L. R. A., 888; *Daughters of Isabella No. 1 v. National Order of D. A.*, 83 Conn., 679, 78 Atl., 333, Ann. Cas., 1912A, 822.

If, as charged in the bill and admitted by the demurrer, so far as the present consideration is concerned, the use of the name, "the Kansas Fraternal Woodmen," is for the purpose of

misleading and deceiving complainant's members and the general public, and of injuring and destroying the complainant, and of appropriating its business and good will and the use of such name in the manner and for the purpose charged will tend to and will mislead and deceive complainant's members and the public, leading to confusion and consequent injury to complainant in the benefit and good will attaching to its name, then no reason is conceived why the defendants may not be now enjoined from proceeding to perfect the organization, rather than wait until it is perfected, and then enjoin them from engaging in the business for which the organization is contemplated.

* * * * *

In view of the foregoing considerations, I find that the demurrer should be overruled; and it is so ordered.

[For cases in point, on the right of protection in the name of fraternal organizations, see Reporter, Vol. 2, pp. 328, 360, and cases cited.]

NEW YORK SUPREME COURT

YELLOW TAXI CAB CO. V. CITY TAXI CAB CO.

Special Term, New York County, November 5, 1912.

UNFAIR COMPETITION—COLOR OF TAXI CABS.

Preliminary injunction vacated, which enjoined the defendant from operating taxi cabs imitating in color those of the complainant.

On motion to continue injunction, *pendente lite*.

Benedict M. Holden, for plaintiff.

Theodore F. Silkman, for defendant.

GREENBAUM, J.—Plaintiff seeks to enjoin *pendente lite* the defendant as well as six other defendants in separate suits "from maintaining and operating for hire taxicabs on the streets of New York so long as said taxicabs shall be painted or decorated a bright yellow color, which is more technically described as 'Bristol orange,' or in imitation thereof, which said color is applied on all the panel work of the body of said taxicabs and upon the chassis of said taxicabs, and the wheels painted the same

yellow hereinbefore mentioned, and the spokes thereof striped with black and the bolt heads in the wheels painted black." The complaint in each case is a printed form identical in language, saving only in the insertion in typewriting of a given number which the particular defendant displays upon his car. The plaintiff claims to have built up at great expense a successful business and acquired a large patronage by a carefully supervised system of operating its cabs, and that the distinctive yellow coloring of taxicabs as above described with spokes "striped with black and bolt heads in the wheels painted black" was "a well defined departure from the coloring of other taxicabs" in use prior to April, 1909, the time when the plaintiff's predecessor in title organized a corporation for the operation of taxicabs, which were and are known and advertised as "Yellow Taxi" or "The Yellow Taxi Cab." A temporary injunction was obtained in each case upon the complaint and printed affidavits, identical in every respect excepting only that in the supporting affidavit of one Brazier there is a difference in the number of the cab of the given defendant, typewritten in a blank space reserved for that purpose. Brazier's affidavit is the only one which attempts to connect the defendant in each case with the alleged acts of unfair competition or infringement of plaintiff's alleged rights in the exclusive use of the yellow taxicab above described. He alleges in his uniform printed affidavit respecting each defendant as follows: "That I am familiar with the cab operated by the defendant. * * * That I have seen this taxicab operated in and about the streets of New York, and I have followed it and watched it for the purpose of seeing the methods employed by the driver to get passengers. I have frequently seen the driver of the defendant's cab standing near the curb, as near as he could get to the line of yellow taxicabs operated by the plaintiff company, with his door open, calling 'First car out,' and I have seen passengers go to his car remarking, 'This is a yellow taxi,' or words to that effect, and the defendant has refrained from telling them their mistake and has by his language in substance led them to believe that he was operating a 'yellow taxicab.' * * * The car operated by the defendant so closely resembles the cars of the plaintiff company that it is

not easily distinguishable from the cars operated by the plaintiff company and so closely resembles the cars of the plaintiff company that the public is deceived and misled." Each defendant positively denies that he represented by act or word his cab as a yellow taxicab of the plaintiff, or did or said anything to mislead any one using his cab in believing that it was the cab of the plaintiff. The acts complained of are twofold: First, that the defendant's cab so closely resembles the cabs of the plaintiff in its coloring as not to be easily distinguishable therefrom, whereby the public is deceived and misled, and, secondly, that the defendants are guilty of unfair competition in deceiving the public by the manner in which they solicit patronage. There is not a scintilla of evidence from which the court may draw its conclusions of fact as to the way the defendant's cabs are painted, the concluding paragraph of Brazier's affidavit being the only allegation bearing thereon. It is thus apparent that the moving papers are totally deficient in a most essential particular. But as the counsel for the defendants conceded upon the argument that the cabs of their clients were painted in a yellow color and in that respect were similar to the cabs of the plaintiff, I will briefly touch upon this feature of the case. The defendants deny that plaintiff and its predecessors were the first to adopt the use of yellow colored taxicabs as described by plaintiff, and allege that such yellow colored cabs have been in operation to a considerable extent before the plaintiff or its predecessors engaged in the business of operating taxicabs. But aside from the issue of prior use, it is clear from the plaintiff's presentation of the case that the broad claim is made to the exclusive right to use taxicabs for hire having a yellow colored body and chassis. It is too well settled to require extended discussion that no one may monopolize a particular color. The only cases in which the courts have recognized the exclusive right to a color are those in which the particular color was employed in combination with other characteristics, which taken together presented a new and distinctive feature from that used by others engaged in a like business (*Ohio Baking Co. v. Nat. Biscuit Co.*, 127 Fed. Rep., 116, 121; *Diamond Match Co. v. Saginaw Match Co.*, 142 Fed. Rep., 727, 728). As was aptly said in the *Diamond Match*

Co. case (*supra*): "The primary colors, even adding black and white, are but few. If two of these colors can be appropriated for one brand of tipped matches, it will not take long to appropriate the rest." It follows that plaintiff was not entitled to the temporary injunction, which must be vacated, and that the motion for an injunction *pendente lite* must be denied.

[It need hardly be remarked that the learned judge was misled in this case by the decisions cited, and failed to see that in a suit for unfair competition, such as this, the only question is whether the defendant's business methods result in the confusion of his business with that of the plaintiff. If such is the case, then the methods should be enjoined; and where the result depends on the distribution of colors on cabs or wagons, the use of these colors should cease. (*Nokes v. Mueller*, 72 Ill. App., 431; *N. Y. Cab Co. v. Mooney*, 15 W. N. Cases, 152.)]

WESTERN CLOCK MFG. CO. v. A. C. SMITH

Special Term, New York County, September 30, 1912.

TRADE-MARK—FRAUDULENT REGISTRATION ABROAD.

Defendant, who had fraudulently registered in Mexico the trade-mark of the plaintiff, required to assign the registration to the plaintiff or to execute a consent to its cancellation.

In Equity. On final hearing.

The defendant, a resident of Mexico City, had fraudulently registered there the trade-mark of the plaintiff. Personal service was obtained upon him in New York in a suit in equity to compel him to relinquish his rights therein.

King & Booth, for plaintiff.

After the taking of proofs, final judgment was awarded in favor of the plaintiff, by Mr. Justice Goff, as follows:

Ordered, adjudged and decreed that the defendant, Alfred C. Smith, in procuring the registration in his own name, and for his exclusive use in the bureau of patents and trade-marks in the republic of Mexico of the trade-mark words "Big Ben" as applied to clocks and timepieces and in procuring the issue to himself of certificate, number eleven thousand one hundred forty-five (11,145) of said bureau of patents and trade-marks, dated the 22d day of April, 1911, has acted in fraud and in violation of plaintiff's rights in and to the use of the said trade-mark words "Big Ben" as applied to clocks and timepieces in the republic of Mexico and elsewhere, and

Ordered, adjudged and decreed that the defendant, his agents, servants and employees be, and they are perpetually enjoined and restrained from claiming to be the owner of the trade-mark words "Big Ben" and from claiming any rights thereto under and by virtue of the said registration thereof by the said defendant in the republic of Mexico, or under

or by virtue of the said certificate, No. 11,145, issued by the bureau of patents and trade-marks to the said Alfred C. Smith, as aforesaid, and from in any way interfering with the plaintiff's trade or the sale of clocks or timepieces manufactured by plaintiff and sold in the republic of Mexico or elsewhere by plaintiff or other persons or corporations to whom plaintiff has sold its clock or timepieces, and

Ordered, adjudged and decreed that the defendant, Alfred C. Smith, forthwith assign and transfer, by proper instrument in writing, to this plaintiff, Western Clock Manufacturing Company, all right and interest in and to the registration of the trade-mark words "Big Ben" protecting clocks, number eleven thousand one hundred forty-five (11,145), the certificate for which registration was issued to the said defendant, Alfred C. Smith, by the bureau of patents and trade-marks in the republic of Mexico on the 22d day of April, 1911, or, in the alternative, said defendant, Alfred C. Smith, is ordered and directed to forthwith execute and deliver to the said plaintiff, Western Clock Manufacturing Company, a petition in proper form to the director of the bureau of patents and trade-marks in the republic of Mexico for the cancellation of the said registration in the name of the said defendant, Alfred C. Smith, of the said trade-mark words, "Big Ben," or to execute and deliver to this plaintiff, Western Clock Manufacturing Company, such other proper instrument or instruments in writing, directed to the proper authorities in the republic of Mexico, as may be necessary and proper to enable the said plaintiff to procure the cancellation of the said trade-mark numbered 11,145 to protect clocks and now standing in the name of the defendant, Alfred C. Smith, and

Ordered, adjudged and decreed that the plaintiff recover judgment against the defendant for the costs of this action to be taxed by the clerk, amounting to \$97 10/100, and that the plaintiff have execution therefor.

Enter,

J. W. G.,

Justice of the Supreme Court.

[The extraordinary interest attaching to this case as a novel and effective means of dealing with the piracy of American trade-marks in foreign markets, leads us to depart from our usual rule to report only court decisions and, in the absence of any formal decision, to print in full the final decree in this suit. It should be a precedent of value to many attorneys who have found themselves at a loss how to act in the like situation.]

M. & S. COCOA & CHOCOLATE CO. V. PREMIUM CHOCOLATE CO.

Special Term, New York County, October 21, 1912.

1. CONFLICTING MARKS—INITIALS.

The letters "B. N. & S." applied to the top of a bar of chocolate, infringes upon a mark composed of the letters "M & S" similarly applied.

2. UNFAIR COMPETITION—COLORING OF BOXES.

Injunction granted to restrain the imitation of the color scheme employed on the plaintiff's boxes.

In Equity. On final hearing.

Charles R. Bradbury, for plaintiff.

Michael J. Grady, for defendant.

KELLY, J.—Many of the acts complained of as infringements on plaintiff's rights are not subjects for the intervention of equity. The manufacture and sale of chocolate bars similar in shape and size to plaintiff's can not be enjoined. There is nothing peculiar or unusual in the plaintiff's candy bars. Nor is the use of the name "Penny Almond Bars" or the like, or the mixture of almonds with the chocolate, subject to injunction; nor the method of packing the candy in layers. In none of these things has plaintiff any exclusive proprietary right. But plaintiff adopted the letters "M & S" stamped on the top of the bar as a trade-mark and duly registered the same. The use by defendant of the stamp "Trade B. N. & S. Mark" on its bars is, to my mind, a violation of plaintiff's rights and calculated to deceive purchasers. And the use of the peculiar colored box used by plaintiff is in the same category. I think plaintiff is entitled to an injunction restraining these methods. Defendant uses the words "Trade Mark" in conjunction with the letters "B. N. & S.," although there is no evidence that defendant owns or has registered any such trade-mark. The use of this stamp on the candy and on the labels should be enjoined (*Vulcan v. Myers*, 139 N. Y., 364; *Dutton v. Cupples*, 117 App. Div., 172; *O'Connell v. Nat. Water Co.*, 161 Fed. Rep., 545; *Higgins Co. v. Higgins Soap Co.*, 114 N. Y., 462). Judgment for plaintiff to the extent indicated in memorandum. Requests to find passed upon. Settle decree upon notice. Fifty dollars costs to include disbursements to plaintiff.

NANZ CLOCK CO. v. NANZ, *et al.*

Special Term, New York County, November 6, 1912.

UNFAIR COMPETITION—CONTRACT REGULATING USE OF FAMILY NAME.

Sale of a business and good will, coupled with a covenant on the part of the seller not to use his name in the same business during a period of five years, implies a right reserved to do so at the expiration of that time, provided he suitably distinguishes his business from the earlier one.

On motion for a preliminary injunction.

Griggs, Baldwin & Baldwin, for plaintiff.

Charles S. MacKensie, for defendant.

SEABURY, J.—I concede the rule to be, as asserted by the plaintiff, that an individual may be restrained from using his own name where such name constitutes a trade-name and has passed under a sale of good will (*Ludwig & Co. v. Claviola Co.*, 114 App. Div., 388, 392). The question now presented for determination is whether, under the contracts executed over five years ago, the defendant August F. Nanz did sell to the plaintiff the *exclusive* right to the use of his name for a longer period than five years. I do not think that he did. The legal effect of the several contracts which were entered into is that the defendant August F. Nanz sold the property therein mentioned and the good will of his business to the plaintiff, except in so far as the good will may be said to have included the *exclusive* right to the use of the name of said defendant; and as to the defendant's name, the *exclusive* right of the plaintiff to use it continued only for a period of five years. The only reasonable inference which can be drawn from those provisions of the contracts which provide that the defendant August F. Nanz will not "at any time or times within five years" do the things which it is now sought to restrain him from doing is that after the expiration of such time the said defendant should be free to do them. The reservation by the defendant August F. Nanz of his right to manufacture and sell under his own name after the expiration of five years is inconsistent with the view that the transfer of the good will included the rights reserved after the expiration of that time. In order to prevent the public from being deceived by the similarity of names, I think the defendant should print upon its business stationery a statement to the effect that it is not the same concern as the plaintiff. If the defendant will agree to do this until the action is tried, the motion for an injunction will be denied. If defendant is not willing to accept this condition, the injunction will be granted upon this ground. The order should be settled on notice, and in conference with counsel upon the settlement of the order the court will suggest an appropriate notice to be printed on the stationery.

COMMISSIONER OF PATENTS

EX PARTE, THE AMERICAN ROLLING MILL COMPANY.

(184 O. G., 550.)

August 26, 1912.

1. TRADE-MARKS—CANCELLATION—JURISDICTION OF THE COMMISSIONER.

The commissioner has authority under the trade-mark act to cancel a registration, upon the showing of the registrant that such registration was granted to a non-existent corporation.

2. CANCELLATION—REGISTRATION NOT REINSTATED.

Where upon the petition of the registrant a trade-mark registration was canceled because granted to a non-existent corporation, the registration will not be reinstated.

Mr. James W. See and Messrs. Brock, Bceken & Smith, for the applicant.

MOORE, Commissioner.—This is a petition that a revocation of the cancellation proceedings in this case be ordered.

It appears that registration certificate No. 70,565 was issued September 15, 1908, to "The American Rolling Mill Company, of Middletown, Ohio, a corporation organized under the laws of the state of Ohio," upon an application purporting to be filed by such company.

On February 16, 1912, application was made by "The American Rolling Mill Company" for the cancellation of said registration, which stated:

that the registrant company was and is a corporation organized under the laws of the state of New Jersey, and under the laws of no other state—

and—

that the statement that the company was organized under the laws of Ohio was an error due to accident, inadvertence and mistake.

The petition for cancellation prayed that said registration may be canceled in order that the company may effect a new registration of its trade-mark on petition papers correctly reciting the name of the state in which the company was incorporated. Accompanying the petition for cancellation was the affidavit of one Phillips, who stated that he is the secretary of The American Rolling Mill Company; that he executed the statement and declaration forming part of the application for the above men-

tioned registration, and that the statement in said papers that the company was a corporation of the state of Ohio was erroneous, and that the said company was incorporated under the laws of the state of New Jersey. A similar allegation was made in the affidavit of Longenecker, who further stated that he was the notary public before whom the declaration pertaining to the application for registration was made by the aforesaid Phillips.

The examiner of interferences held that the trade-mark should be canceled, and an order was duly entered by the commissioner of patents on March 11, 1912, canceling the registration. The certificate of registration which was returned to the patent office was also marked "Canceled" and the seal broken.

The office records show that an application was filed on March 1, 1912, by "The American Rolling Mill Company, a corporation duly organized under the laws of the state of New Jersey, and located and doing business in Middletown, Butler county, Ohio," for the registration of the mark for which registration certificate No. 70,565 was issued and subsequently canceled, as noted above. The application is pending before the examiner of trade-marks. The last action thereon shows that registration has been refused by the examiner in view of several registrations.

As stated above, petitioner now seeks to have the registration No. 70,565 reinstated. It is contended by petitioner that Section 13 of the trade-mark act provides—

that only one who "shall deem himself injured" may maintain a cancellation proceeding:

that—

applicant instead of being "injured" by the registration has, on the contrary, been benefited,

and that—

the commissioner was, therefore, without authority to cancel the registration and should set aside said cancellation.

It appears from the statements made in the application for cancellation noted above that the registration was granted to a non-existing corporation, and this fact is not denied in the present petition.

It does not appear that petitioner could obtain any legitimate benefit from such a registration, and the facts certainly warrant the assumption that, on the contrary, it would be injured thereby. It is believed that the commissioner had ample warrant under the statute for canceling the registration, but that he has no authority to reinstate said registration to a non-existing corporation.

Petitioner has pursued the proper course by filing an application for registration in its correct name, and if it deems itself entitled to such registration its remedy is by further prosecution of said application.

EX PARTE, HERSHBERG & COMPANY.

(184 O. G., 806.)

October 17, 1912.

DESCRIPTIVE TERM—"MASTER-CRAFT."

The word "Master-Craft" applied to suits and overcoats is descriptive of the character or quality of the goods, since it indicates that they are skilfully made.

Messrs. Osgood, Davis & Dorsey, for the applicant.

TENNANT, Assistant Commissioner.—This is an appeal from the decision of the examiner of trade-marks refusing registration of the word "Master-Craft" as a trade-mark for suits and overcoats.

Registration is refused upon the ground that the same is descriptive of the character or quality of the goods, indicating that the clothes are skilfully made, as by a master.

In my opinion the decision of the examiner of trade-marks is right. The word "craft," as pointed out by the examiner, is defined as—

art or skill; dexterity, as in some manual employment; skilfulness in planning or executing; hence, an occupation or employment requiring this; a manual art; a trade, business or profession.

The word "master" serves to indicate the degree of skill as that of the highest order.

It is urged that the hyphenated word "master-craft" has no established meaning of its own and at best is merely suggestive.

This contention is not believed to be well founded. The word "master" is used in connection with many well-known English words in precisely the sense in which it is used here—as, for example, master mechanic, master builder, mastership, master stroke, master touch, masterwork, and masterpiece. The significance, therefore, of the trade-mark sought to be registered is not merely suggestive, but is rather purely descriptive, and falls within the category of marks for which registration is prohibited by Section 5 of the trade-mark act.

The decision of the examiner of trade-marks is affirmed.

STOLLWERCK BROTHERS, INC., v. "LUCERNA" ANGLO-SWISS MILK
CHOCOLATE CO. v. HOFFMAN.

(184 O. G., 804.)

October 31, 1912.

GOODS OF THE SAME DESCRIPTIVE PROPERTIES.

Sweetened chocolate and candy are not goods of the same descriptive properties as coffee.

Messrs. Fraser, Turk & Myers, for Stollwerck Brothers, Inc.
Mr. Frank S. Appleman, for "Lucerna" Anglo-Swiss Milk
Chocolate Co.

Messrs. Goepel & Goepel, for Hoffman.

BILLINGS, First Assistant Commissioner.—This is an appeal by Hoffman from a decision of the examiner of trade-marks dissolving the above interference.

When this interference was declared, the goods of the respective parties were set up as follows: Stollwerck Brothers, Inc., cocoa, chocolate, and candy; "Lucerna" Anglo-Swiss Milk Chocolate Co., cocoa, and Hoffman, coffee. After testimony was taken an amendment was filed by Stollwerck Brothers, Inc., restricting their goods to chocolate and candy. The interference was thereupon remanded to the examiner of trade-marks in accordance with the practice laid down in *Columbia River Packers Association v. Nave-McCord Mercantile Company* (145 O. G., 511). The examiner of trade-marks declined to dissolve the interfer-

ence on the ground that the Stollwerck applications show that it uses its mark upon unsweetened chocolate, which is commonly used as a beverage, and that such chocolate is of the same descriptive properties as coffee and cocoa. He suggested, however, that if Stollwerck Brothers, Inc., should limit its particular description of goods to sweetened chocolate and candy, the interference would be dissolved. An amendment to this effect was filed, and the examiner accordingly dissolved the interference.

Though not so stated in his decision, it is obvious that the holding of the examiner of trade-marks was only as to Stollwerck Brothers, Inc., since under the ruling in *Walter Baker & Co., Ltd., v. Harrison* (138 O. G., 770; 32 App. D. C., 272) cocoa and coffee are goods of the same descriptive properties, and therefore an interference still exists between the application of the "Lucerna" Anglo-Swiss Milk Chocolate Co. and the applications of Hoffman. The only question to be considered in this appeal is whether the amendments were properly admitted to the Stollwerck applications and whether, as so amended, there is an interference between these applications and the applications of Hoffman.

The Stollwerck applications are now limited to sweetened chocolate and candy. While sweetened chocolate may be used as a beverage, it is also sold as a confection, and in view of this fact it is believed that there is no interference between the Stollwerck applications, which are now restricted to sweetened chocolate and candy, and the applications of the remaining parties. Nor is any irregularity found in admitting the amendment to the Stollwerck applications after the testimony was taken. If the marks now sought to be registered by Stollwerck Brothers, Inc., are for goods of different descriptive properties from those of the remaining parties, no proper judgment of priority could be rendered with respect to its applications. As stated above, in my opinion the goods of Stollwerck Brothers, Inc., and those of the other parties to this interference are of different descriptive properties.

The decision of the examiner of trade-marks is affirmed, in so far as it dissolves the interference as to the applications of Stollwerck Brothers, Inc.



